

WHAT IS THE HOUSING CHOICE VOUCHER PROGRAM?

The Housing Choice Voucher program is a rental assistance program funded by the U.S. Department of Housing and Urban Development (HUD). The program provides rent subsidies in the form of Housing Choice Vouchers to low income individuals and families to enable them to afford decent, safe, and sanitary housing. HUD allocates these Housing Choice Vouchers to the Metropolitan Development and Housing Agency (MDHA).

HOW IS ELIGIBILITY DETERMINED?

Both families and individuals are eligible to receive assistance. The applicant must have an income below either the very low-income limit (50 % of area median) or the extremely low-income limit (30% of area median) to qualify. In addition, the applicant must not have an outstanding debt to any public housing agency not have been evicted from public housing within the last three years. The applicant must be a citizen or eligible non-citizen.

HOW DOES THE PROGRAM WORK?

An Overview

Once eligibility has been verified by MDHA, a Housing Choice Voucher is issued to the individual or family at a “briefing.” During the briefing, the rules and regulations of the program are discussed. As part of this briefing, MDHA includes information to assist the applicant in understanding how to approach a landlord regarding leasing, what a landlord may expect in terms of making a maintenance request, acceptable behavior of the tenant’s guests, rental unit “housekeeping” (such as changing furnace filters), and typical landlord rules and regulations. After the briefing, the family must locate a rental unit on their own and submit an application directly to the landlord. Once they find a unit and a landlord willing to rent to them, the family must submit a Request for Tenancy Approval (RTA) to MDHA.

REQUEST FOR TENANCY APPROVAL (RTA)

If the landlord accepts the applicant, both must complete and sign the Request For Tenancy Approval (RTA). The RTA is submitted along with an unsigned copy of the proposed lease to the applicant’s MDHA assigned specialist. If the unit was built prior to 1978, a Lead Based Paint Disclosure form must also be submitted with the RTA. In order for the RTA to be approved, the family must have properly terminated their lease with their current landlord and be in “good standing” with MDHA. A market analysis is then done to determine if the proposed rent is reasonable. The rent may not exceed rent charged for an unassisted unit of comparable age and condition located in the same general area. In addition, MDHA may not approve a unit for the program if the gross rent for the unit exceeds the applicable Payment Standard AND the family’s contribution toward

rent and utilities is greater than 40% of their monthly adjusted income. Once the MDHA assigned specialist determines the family is eligible to rent the unit and the rent requested by the landlord is reasonable, a request for an inspection is made. A Housing Quality Standards (HQS) inspector is assigned and will contact the owner directly to schedule a convenient time for an HQS inspection. The inspection is usually scheduled within 7 to 10 days. This inspection ensures the rental unit meets certain quality standards as defined by HUD (**See Inspection Checklist**). The property owner is advised by the inspector in writing of any items in non-compliance with HQS. These items must be corrected before the proposed lease can be approved by MDHA and signed by the tenant.

WHAT NOW?...

After the unit has passed the HQS inspection, a lease must be executed between the tenant and the owner. The execution of the lease needs to be coordinated with the Section 8 specialist to make sure the start and ending dates of the lease coincide with the Housing Assistance Payments (HAP) Contract. **MDHA cannot issue assistance payments until all parties sign the lease and Housing HAP Contract.**

HUD requires that the lease contain the following information:

- Name of owner and tenant;
- Address of the unit leased;
- Contract rent of the unit;
- Term of the lease – initial term and renewal terms;
- Notice required to terminate lease after initial term;
- Specifications of which utilities and appliances are supplied by the owner and which by the tenant.

HOW LONG IS THE FAMILY ELIGIBLE FOR ASSISTANCE?

A family's eligibility is re-determined at least every 12 months. They may receive a rent adjustment if their income changes in between their re-determination date. The family's eligibility will be re-determined and an HQS inspection of the unit conducted 60-90 days in advance of their annual re-determination date. A family continues receiving Housing Choice Voucher assistance as long as they continue to be eligible, the unit where they reside passes HQS, and the family does not violate any of their obligations in the program. If the family vacates a unit without notice, the assistance payment for the unit stops. The owner is entitled to keep the assistance payment **ONLY** for the month in which the family vacated. Any assistance received after the family vacates must be returned to MDHA. The owner should always notify MDHA when an assisted tenant vacates the unit. If the family's assistance is terminated by MDHA because of a violation of their family obligations, the owner is given a 30-day notice that the Housing Assistance

Payments Contract is terminated. If the owner agrees, the tenant may remain in the unit and pay **all** of the rent themselves.

WHAT ABOUT EVICTION PROCEEDINGS?

An owner may evict a Housing Choice Voucher participant under the terms of the lease agreement, but only by a court action. The owner must follow state and local laws regarding evictions, and the owner must give MDHA a written notice of the eviction. In some circumstances, eviction is grounds for termination of the family's eligibility for the program.

THE ROLE OF MDHA

MDHA's primary areas of responsibility in the administration of the Section 8 program are:

- 1) To determine family eligibility based on HUD requirements and their family composition and total family income;
- 2) To inspect units to ensure compliance with HUD Housing Quality Standards and Section 8 requirements; and
- 3) To execute Housing Assistance Payments Contracts and issue housing assistance payments to property owners and families.

MDHA does not act as the property owner or manager. It is the responsibility of the property owner or their agent to screen and select the tenant and to enforce the terms of the lease.

THE ROLE OF THE PROPERTY OWNER

As a participant in the Section 8 rent subsidy program, the property owner has the following responsibilities:

- 1) To perform routine management functions including: screening and selecting tenants, maintaining the property, collecting rent and handling tenant complaints. **Participation in the program does not relieve a landlord of any normal duties of ownership. MDHA only pays a portion of the rental payment on behalf of the family.**
- 2) To comply with all requirements of the Housing Assistance Payments Contract.
- 3) To comply with the terms of the lease agreement.
- 4) To maintain the unit at all times in accordance with MDHA's Housing Quality Standards. (See HQS Summary). The owner may require the assisted family to repair or pay for repairs or damages (other than normal wear and tear) caused by the family or guests of the family.
- 5) To collect only the amount of rent from the tenant that is specified in the lease and/or HAP Contract or any interim Notice of Change amendments to the HAP Contract.
- 6) To notify MDHA immediately if the assisted family vacates the unit.
- 7) To notify MDHA immediately if any utility services are disconnected.

- 8) To provide proof of ownership and management agreement, if applicable, for the assisted unit.
- 9) To provide a W-9 form for the purpose of 1099 reporting to the IRS and provide a Direct Deposit Authorization form, including verification of their taxpayer identification number and a copy of a check corresponding to the direct deposit account.
- 10) To notify the family and MDHA in writing of a rent increase at least 60-days prior to the effective date of the increase. **It is the policy of MDHA to only consider requests for rent increases as of the family's annual redetermination date.**
- 11) To notify the family and MDHA in writing of any offer of a new lease 60 days prior to the effective date of the new lease. **It is the policy of MDHA to only consider offers of a new lease as of the annual re-determination date of the family.**

Failure to fulfill these obligations may result in withholding, abatement or termination of all housing assistance payments. Future participation in the Program may also be prohibited.

THE ROLE OF THE FAMILY

In order to participate in the Section 8 program, the family must meet all program obligations as detailed at application and at the briefing when they receive their voucher.

The Family (including each household member) Must:

- 1) Supply any information that MDHA or HUD determines to be necessary, including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- 2) Disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- 3) Supply any information requested by MDHA to verify that the family is living in the unit or information related to family absence from the unit.
- 4) Promptly notify MDHA in writing when the family is away from the unit for an extended period of time in accordance with MDHA policies.
- 5) Allow MDHA to inspect the unit at reasonable times and after reasonable notice.
- 6) Notify MDHA and the owner in writing before moving out of the unit or terminating the lease.
- 7) Use the assisted unit for residence by the family. The unit must be the family's only residence.
- 8) Promptly notify MDHA in writing of the birth, adoption, or court-awarded custody of a child.

- 9) Request MDHA written approval to add any other family member as an occupant of the unit.
- 10) Promptly notify MDHA in writing if any family member no longer lives in the unit.
- 11) Give MDHA a copy of any owner eviction notice.
- 12) Pay utility bills and provide and maintain any appliances the owner is not required to provide under the lease.
- 13) Correct tenant-caused, life threatening HQS violations within 24 hours.

The Family (including all household members) Must Not:

- 1) Violate any family obligations contained herein or shown on the voucher.
- 2) Fail to sign and submit consent forms for obtaining eligibility factor verifications.
- 3) Fail to submit evidence of citizenship or eligible immigration status or in any way fail to comply with noncitizen rule regulations and applicable informal review.
- 4) Own or have any interest in the unit (other than a cooperative, or as the owner of a manufactured space or as a participant in the Homeownership Voucher Program).
- 5) Commit any serious or repeated violation of the lease, including damage beyond normal wear and tear and failure to make timely rental payments.
- 6) Commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
- 7) Include a household member that is subject to a lifetime registration under a State sex offender registration program.
- 8) Include a household member who has EVER been convicted of a drug-related criminal activity involving the manufacture or production of methamphetamine on the premises of federal assisted housing.
- 9) Include any family member who has committed drug-related criminal activity or violent criminal activity.
- 10) Owe rent or other amounts to MDHA or another Housing Agency in connection with Section 8 or public housing.
- 11) Breach an agreement with MDHA to pay an amount owed to MDHA.
- 12) Sublease or assign the lease or transfer the unit.
- 13) Receive Housing Choice Voucher assistance while receiving another housing subsidy, for the same unit or a different unit under any other Federal, State or local housing assistance program.
- 14) Damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises.
- 15) Fail to comply with the Family Self Sufficiency Contract of Participation, if enrolled in the FSS program.
- 16) Engage in or threaten abusive behavior towards MDHA personnel.
- 17) Have been evicted from public housing in the past 3 years.

Other Requirements

THE FAMILY:

- 1) MUST NOT pay the OWNER any additional rent or amounts that are not part of the lease.
- 2) MUST connect the utilities that are the Family's responsibility in the head-of-household's name. Utilities must be connected and smoke detectors must work at all times.
- 3) MUST notify MDHA if an OWNER does not make repairs in a timely manner.
- 4) MUST notify MDHA of any absences from the unit over two weeks.
- 5) MUST reimburse MDHA for any amounts owed to MDHA.

FAIR HOUSING LAWS

The goal of Fair Housing Laws is to ensure all applicants are treated fairly and equally in their search for housing. MDHA is committed to the Fair Housing Laws and to educating landlords and tenants about their rights and responsibilities covered therein (**See Fair Housing Law Summary**).

INSPECTIONS

Each unit must pass an HQS inspection (see HQS Summary) before the assisted family may move into the unit. If the family currently occupies the unit, it must pass an inspection before housing assistance payments may begin. The unit must be re-inspected at least every 12 months while the unit remains on the Housing Choice Voucher program. Each family is assigned an annual recertification date that usually corresponds with the initial move-in date to their current unit. The unit is inspected and the family's eligibility is re-determined 60-90 days in advance of the annual recertification date each year.

PREPARING FOR THE INSPECTION (NEW UNIT)

It is preferred the unit be vacant at the time of the initial inspection in order to allow the inspector to see the unit in move-in condition. All utilities must be on (even if the tenant will ultimately be responsible for utility payments) and all common areas and basements must be accessible.

What items are checked?

Each room of the unit is inspected, as are all common areas and basement. Generally, the inspector will assess the condition of the windows, ceilings, walls, floors, and check for any electrical hazard and presence of lead based paint.

What about lead paint?

Lead poisoning can damage a child's nervous system, brain, kidneys, hearing, vision, and even cause death. Lead dust from moving parts of windows and doors painted with lead-based paint, soil contaminated with lead, and lead-based paint that is chipping or peeling are all sources for lead poisoning. The lead dust and

paint chips get on the children's hands, toys, and pacifiers. When they put these things to their mouths, lead gets into their bodies. If the inspector determines lead-based paint is present, the suspect areas must be treated (**See Lead Based Paint Instructions**).

Annual Inspections

Each subsidized unit must be inspected annually to ensure the unit is in compliance with HUD and Section 8 Housing Quality Standards. The property owner and the tenant will be notified of the annual inspection date by written notice at least 60 days prior to the anniversary date of the lease agreement. It is the responsibility of the tenant to provide access of the unit to the inspector.

Property owners are encouraged to be present. As with the initial inspection, the inspector will need access to the unit and all common areas and basement.

If the unit does not pass on the first annual inspection, the property owner is given 30 days to bring the unit into compliance. The only exception to this is when there is a serious code violation or if, for example, there is no heat or hot water. With serious infractions, the owner will be given 24 hours to correct the situation. A copy of the inspection report with a re-inspection date is mailed to both the property owner and the tenant. If the owner does not complete the repair within the specified time frame, MDHA will abate (stop) the housing assistance payment. **Abated rent cannot be recovered.** It is then the owner's responsibility to contact MDHA for a re-inspection. If the unit continues to be out of compliance, MDHA may take action to terminate the contract.

Common "Fail" items

Typically, most "fail" items cited require minimal time and money to correct. The following are common reasons units fail HQS Inspections.

- Chipped or peeling paint;
- Poor window condition;
- A bedroom is missing a window.
- All rooms to be used as a bedroom must have a window. If a window is designed to open, it must open;
- Lack of ventilation in the bathroom;
- Missing or damaged outlet covers;
- Missing discharge line or pop/relief valve on water heater;
- Exposed wiring;
- Utilities are disconnected;
- Missing or unsafe handrails;
- Missing or inoperable appliances;
- Bug infestation;
- Dripping faucets;
- Tripping hazard due to damaged flooring;

- Missing or non-functioning smoke detectors.

CONTRACT RENTS

In order for MDHA to enter into a contract with a property owner, the rental unit must not only pass the inspection, but the rent must also be acceptable. MDHA has guidelines that are followed in order to approve a requested contract rent. ***A rent limit is not applicable to the Housing Choice Voucher program.*** The owner establishes the contract rent. However, MDHA may not approve the rent for a unit under the Housing Choice Voucher program if the contract rent exceeds rents charged for similar, unsubsidized units in the market area (neighborhood or regional area). MDHA conducts ongoing rental surveys to determine rent reasonableness. In addition, MDHA may not approve a unit for the program if the gross rent exceeds the Payment Standard AND the family's contribution towards rent and utilities is greater than 40% of their monthly adjusted-income.

Rent Reasonableness

Requested rents are evaluated on a unit-by-unit basis, taking into consideration current market rents for comparable unassisted units in a given community.

The criteria used for evaluation are items such as:

- 1) Size - number of bedrooms and baths, square footage;
- 2) Condition - age of unit, carpet, vinyl, evidence of on-going maintenance;
- 3) Location - proximity to schools, shopping, etc.;
- 4) Amenities - central heat/air, appliances included such as refrigerator, oven/stove, dishwasher, washer/dryer or connections, blinds or other window coverings, garage, etc. **Section 8 rents may never exceed rents charged for a comparable unassisted unit in the same building.**

Rent Increases

Rent increases are only considered at the anniversary date of the Housing Assistance Payment (HAP) Contract. The owner must submit a written notice to the tenant, with a copy to MDHA, at least 60 days prior to the anniversary date of the HAP contract. The requested contract rent is then compared to rents being charged for unassisted comparable units. If the requested rent is at or below the comparable rent and the contract unit meets HQS requirements, the requested rent will be approved. If the requested rent is greater than the comparable rent, the new contract rent will be limited to the comparable rent level, even if it results in a reduction in contract rent. **Any requests for rent increases not submitted within the time frame and form as stated above will not be honored until the following anniversary date of the HAP Contract.**

LEASE ISSUES

Termination of the Lease Agreement

The procedures for terminating a tenancy before the end of the lease agreement for nonpayment of rent or repeated violations of the lease terms are the same for a subsidized tenant as they are for a private market tenant. However, the landlord must keep MDHA informed of all actions being taken to end the tenancy. ***Subsidy payments will continue during the eviction proceedings*** provided the payments have not been suspended for other reasons such as HQS violations or termination of the family from the Section 8 Housing Choice Voucher program.

Termination of Lease Agreement by Mutual Consent

A lease may be terminated without eviction proceedings by the written ***mutual consent*** of both the property owner and tenant any time during the tenancy. The written agreement to terminate must be submitted to MDHA at least one calendar month in advance of termination (**See Mutual Termination Agreement**).

Termination of Lease By Tenant

The tenant may terminate the lease in accordance with the lease agreement. Any termination notice must be in writing to the property owner and MDHA at least one month prior to termination.

Notice of Intent By Landlord To Not Renew Lease

If a landlord decides to terminate a lease agreement for lease violations by the tenant or other good cause not related to business or economic reasons, he or she must submit to MDHA and the tenant a written notice of intent to not renew the lease. This notice must be sent at least 30 days before the anniversary date of the lease or at least 30 days before proposed termination date if request is made after anniversary date of lease agreement.

Unpaid Tenant Rent

MDHA is not responsible for unpaid rent and damages. Collection of unpaid tenant rent and property damage is the responsibility of the Landlord.

DRUG AND VIOLENT CRIMINAL ACTIVITY POLICY

In order to meet its responsibilities to its assisted families, property owners, and neighborhoods, MDHA has adopted a policy on drug-related and violent criminal activity. It is a requirement of Housing Quality Standards for the site and neighborhood of an assisted unit to be reasonably free from hazards to health, safety, and the general welfare of the occupants. If there is evidence that an assisted tenant has engaged in drug-related and/or violent criminal activity, MDHA may terminate the rental assistance. A police report is ordered by MDHA

for each applicant at their initial certification and on an as-needed basis thereafter. An applicant may be denied admission into the program or may be refused an annual renewal for violation of the drug/ violent activity policy by the applicant or any member of the assisted family.

PROGRAM INTEGRITY

MDHA is committed to maintaining the integrity of the Section 8 rental assistance program. Because the federal government funds the program, any intentional misrepresentation of facts or fraudulent activity by a participating landlord or family is a federal crime.

Fraud committed by a Landlord

Examples of program abuse by a participating property owner include living in the assisted unit, receiving payment in excess of the rent stated in the lease and HAP contract, or receiving payment for a unit that has been vacated. Actions taken by MDHA against a landlord found to have committed fraud include deducting the amount of any overpayment from amounts due on the subject property or any other housing assistance payment contract, termination of the current payment contract, and/or civil and criminal prosecution.

Fraud committed by a Tenant

Failure to report income or assets to MDHA or allowing unauthorized individuals to reside in a contract unit are examples of program abuse by a participating family. Actions taken by MDHA against a subsidized tenant include mandating repayment to MDHA of any amount paid as a result of fraudulent information, termination from the subsidy program, and/or civil and criminal prosecution.

SPECIAL PROGRAMS FOR THE HOMELESS

At this time the number of homeless in the Nashville area continues to grow with present estimates indicating over 1,100 individuals and families (totaling almost 2,000 people) sleeping in area shelters or in places not normally considered acceptable for human habitation. Approximately 30% of these people suffer from a disability such as mental illness, AIDS or related illness, or are in alcohol/drug rehabilitation. As funds and programs are available, MDHA offers subsidized rent for homeless individuals and families with one or more of these disabilities. If you are interested in participating as a landlord in a program for special interest groups, please speak with the department director for more details.

LISTING YOUR UNIT

Landlords wanting to make their units available for program participants will need to list their property on the TNHousingSearch.org website. TNHousingSearch.org is a FREE online, searchable registry of housing in Tennessee, sponsored and maintained by the Tennessee Housing and Development Agency through a contract with SocialServe.com. It is designed to help all Tennesseans with their housing-related needs. All types of housing are listed, whether for rent or for sale, and includes accessible, affordable, or age-restricted properties.

The service is free for tenants and landlords to use, and can be accessed online 24 hours a day, seven days a week. Benefits include:

- Free advertising of property;
- Free to list and search for properties;
- Ability to include maps and pictures;
- Ability to inform potential tenants of special features of the property, your procedures on how to apply, and any rules and requirements before they apply;
- Ability for potential tenants to narrow their search to only those units that meet their specific needs;
- Ability for potential tenants to see pictures of the unit before applying; and
- With a toll-free number, have Socialserve.com staff assist with listing, updating and searching for properties.

Once registered, owners can add the units themselves or call the toll-free number **1-877-428-8844** and a Socialserve.com representative will assist you over the phone. Tenants looking for a place to rent can search directly on the website or call the toll-free number and a SocialServe.com representative will assist you in locating a potential unit to rent.

For more information and to register to list your property, please visit <http://www.tnhousingsearch.org/> or call the toll-free number **1-877-428-8844**.

ETHICS, CONFLICTS OF INTEREST, AND ACCEPTANCE OF GIFTS

The Board of Directors of MDHA has adopted Executive Order No. 91-08 as executed by Mayor Phil Bredesen on September 26, 1991, to apply to all MDHA employees. Please take time to read this order as all employees of MDHA as well as participants in MDHA programs are expected to comply. (**See Executive Order**)