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Of The City Of Danville, Illinois
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Housing Choice Voucher Rental Assistance Program **Landlord Handbook**



HCV
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Introduction

The Section 8 Housing Rental Assistance Program, enacted by the Housing and Community Development Act of 1974, is funded through and monitored by the United States Department of Housing and Urban Development (HUD).

The Housing Authority of the City of Danville (DHA) provides rent subsidy to eligible low and very low-income families through the Housing Choice Voucher Program. Under the Housing Choice Voucher Program families initially pay approximately 30% of their monthly-adjusted income toward rent and utilities. The HACD makes a housing assistance payment (HAP) for the remaining portion of the rent directly to the landlord. Payments are sent out on the first day of the month, except when the 1st falls on a weekend. In this instance, payment will be sent out on the last working day of the month.

Families must meet eligibility requirements and family obligations under the program. Owner obligations will be discussed further in this handbook.

Eligibility

Families whose income does not exceed the very low-income limits set by HUD are eligible to obtain rental assistance. A family is defined as:

- A single person, who may be an elderly person, disabled person, near-elderly person, or any other single person
- A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Income Limits

Income limits are adjusted annually by the federal government to reflect the income of the area. Income limits are used for eligibility only at admission. Income is determined by comparing the annual income of an applicant to the applicable income limit for their family size.

Applications

Families who initially meet both the income guide lines and family composition requirements must complete an application with the HACD during the period the waiting list is open for applications. The application process verifies both the family's income and composition. Once this verification process is completed, the family is then notified if they meet the qualifications. If there is assistance available, the family is issued a Housing Choice Voucher. If there is no assistance available, the family is placed on a waiting list.

Housing Choice Vouchers

The Housing Choice Voucher is documentation that the family has: 1) met program requirements, 2) is eligible to receive rental assistance, and 3) agrees to the terms and conditions of the program. The family has 90 days in which to locate a unit that is decent, safe and sanitary.

Eligible Housing

The types of housing that are **NOT** eligible for assistance are:

1. Housing owned by the family to be assisted.
2. Housing owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family; unless the HACD has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

3. Housing owned by those who are prohibited from participation due to conflict of interest (such as Housing Agency Employees).
4. Nursing homes, units within the grounds of a penal, reformatory, medical, mental or similar public or private institution.
5. Facilities providing continual psychiatric, medical or nursing services.
6. Rooming or boarding homes.
7. Units in which families are being assisted under other subsidy programs.

Payment Standards

Payment Standards are based on the Fair Market Rents (FMRs) in effect at the time the Annual Contribution Contract (ACC) is executed by HUD with the Housing Agency for the first increment of funding in the Housing Agency's Voucher Program. Payment Standards are used to calculate the maximum amount of housing subsidy the HACD will pay on behalf of a family.

Fair Market Rents

Fair Market Rent (FMR) is a combination of rent and tenant-paid utilities used for participants in the HCV Program. FMRs are adjusted annually by HUD to reflect the area's current market rents. To review the latest FMRs for the area, visit <https://www.huduser.gov/portal/datasets/fmr.html>.

Selection of Tenants

The HACD does not screen for suitability of the tenant family, but can only certify the family's eligibility for the program. Owners are encouraged to screen families based on their own rent suitability factors such as: payment of rent and utility bills, caring for a unit and premises, respecting rights of other tenants to peaceful enjoyment of their housing, drug-related criminal activity or other criminal activity that is a threat to the life, safety or property of others. The HACD also encourages owners to contact the tenant/client's previous landlord in screening for suitability.

The HACD does complete a background check for program eligibility. We encourage owners to utilize the free, public website www.judici.com to check local criminal history as part of their screening process.

NOTE: In the selection or approval of a tenant, in the provision of services, or in any other manner, a landlord cannot discriminate against any person on the grounds of race, color, creed, religion, sex, sexual orientation, national origin, handicap, age or familial status.

Security Deposits

The landlord should collect a security deposit from assisted tenants just as they would from unassisted tenants. This security deposit is then credited toward any unpaid rent or damages when the tenant vacates. The landlord must follow Illinois State Law regarding security deposits. Landlords will treat HCV tenants in the same manner that non-HCV tenants are treated when they vacate a unit owing unpaid rent, damages or vacancy loss. HACD does not and will not pay security deposits. HACD will only begin its assistance upon a passing grade of the initial inspection of the unit.

Housing Agency Disapproval of Owner (owner, manager, agent, landlord)

HACD must not approve a unit if HUD has informed them that the owner is disbarred, suspended or subject to a limited denial of participation. When directed by HUD, HACD must not approve a unit if:

1. The federal government has begun an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirement, and such action is pending.

2. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

HACD may also deny approval to lease a unit from an owner for any of the following reasons:

1. The owner has violated obligations under a housing assistance payment contract under Section 8 of the 1937 Act.
2. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with federal housing program.
3. The owner has a history or practice of non-compliance with the Housing Quality Standards for units leased under the tenant-based programs, or with applicable housing.
4. The owner has been convicted of fraud or tax fraud in connection with any type of housing.
5. The owner has current open charges or convictions in the past 5 yrs for drug or violent criminal activity.
6. The owner is a registered sex offender or has ever manufactured methamphetamine.
7. The owner has unpaid state or local real estate taxes, fines or assessments.

Request for Tenancy Approval

The **Request for Tenancy Approval (RFTA)** is a request for an initial inspection of a unit. It states that the landlord is interested in participating in the program and gives HACD the necessary information concerning the unit needed to execute a Housing Assistance Payments (HAP) contract. Attached to the RFTA is the Request for Taxpayer Identification Number and Certification (W-9 Form new landlords only). This form must be completed and signed before any payment can be sent to the owner. **In addition, the owner must attach documentation verifying ownership of the property (i.e. deed of trust or closing papers from a sale of the property).**

When completing the RFTA the Landlord should remember the following:

- Proposed Rent – is the total rent, including taxes, to be charged for the unit
- Utilities “Provided By/Paid By”: Mark each item as **O** if the Owner provides or pays for the utility/appliance. Mark each item as **T** if the Tenant provides or pays for the utility/appliance.

Rent Reasonableness

Once the eligible family has found a unit to rent a rent reasonableness comparison will be conducted. PHAs must ensure that rents charged by owners to housing choice voucher program participants are reasonable. This determination involves two comparisons. First, the PHA must compare the rent for the voucher unit to rents for similar unassisted units in the marketplace. Second, the PHA must compare the rent to rents for similar units on the premises. If the proposed rent is determined unreasonable, negotiations can be made. You will be notified within ten business days if the rent is reasonable.

Inspections

Once the eligible family has located a suitable unit and the landlord has agreed to participate in the program, an inspection of the unit must be completed by the HACD. The inspection is to insure that the unit meets the Housing Quality Standards (HQS) of being **decent, safe and sanitary**. The following is a list of some of the basic items necessary for a unit to pass inspection:

- No electrical hazards, inside or outside the unit
- All operable windows open and lock properly
- All doors open and close properly and that are accessible from the outside lock properly
- All interior doors must have no holes, trim intact and be accessible without a key

All interior and exterior surfaces are free from cracking, peeling, chipping and loose paint
All floor covering must free of stains, holes, tears, pet odor, burns, cracks, missing tiles, no sagging, loose or warped boards, and no tripping hazards
All appliances and bathroom facilities are clean and in working condition
All bedrooms have at least one operable window
Heating and cooling equipment are safe and adequate
Hot water heater is safely located, equipped and installed
Plumbing, electrical and gas systems are safe and adequate
No evidence of infestation of any vermin (roach, ant, mouse, termite, etc...)
Working smoke detector and carbon monoxide detector on each level
Site and neighborhood are free from conditions that would endanger the health and safety of residents
All structures on the property are subject to inspection, even if not considered living space.

Note: HQS standards have been amended to allow microwave ovens to be substituted for a tenant supplied oven and stove/range. A microwave oven may be substituted for an owner-supplied oven and stove/range if the tenant agrees and microwave ovens are furnished instead of an oven and stove/range to both subsidized and non-subsidized tenants in the same complex or premises.

If serious violations exist, the unit will fail the inspection and will require re-inspection after the violations are corrected. **A UNIT MUST COMPLETELY PASS THE INSPECTION BEFORE A LEASE AND CONTRACT ARE EFFECTIVE AND ANY HOUSING ASSISTANCE PAYMENTS ARE SENT TO THE LANDLORD.**

*** Initial Inspection Note*** If any unit fails initial inspection for a new admission or transfer it will be **re-inspected** only 1 time. If the unit fails the re-inspection it will not be utilized for the HCV program and the tenant will have to choose another unit.

After the initial inspection, the unit must be inspected at least annually to determine if the tenant and the landlord are maintaining it in a decent, safe and sanitary condition. The PHA will conduct a special inspection if the owner, family, or another source reports HQS violations in the unit. When an annual or special inspection reveals the unit is in violation of HQS, the landlord and the tenant are responsible for correcting the deficiencies. The landlord is not held responsible for HQS failures caused by the tenant. HACD may terminate assistance to a family because of HQS breach by the family. If a landlord fails to correct HQS failed items, payment to the landlord may be abated and the contract terminated. If payments are abated, all deficiencies must be corrected before payments are resumed. **Payments that are abated will not be reimbursed and cannot be collected from the tenant.** The owner cannot sue or evict the tenant for the unpaid Housing Assistance Payments withheld by HACD for abated units.

Lease and Contract

Once the Housing Agency receives a Request for Tenancy Approval and the inspection is completed and has passed, a Lease Agreement between the Owner and Tenant, and Housing Assistance Payments Contract between the Owner and DHA will be executed. **The landlord uses his own lease to which the Tenancy Addendum with required HUD language must be attached.** The language in the Tenancy Addendum will prevail in the event of a conflict with a provision in the landlord's lease. A copy of the signed and executed Lease Agreement will need to be submitted before any housing assistance (Page 6) payments are made to the landlord. The Lease Agreement is between the Landlord and Tenant. **The Housing Agency is not a party to the lease.**

The Lease contains:

- The names of the authorized occupants in the unit
- The amount of the total monthly rent
- The amount of the security deposit the landlord collected
- The utility services and appliances to be paid or furnished by the landlord or tenant
- The responsibilities of the landlord
- The responsibilities of the tenant

The Housing Assistance Payments Contract is between the landlord and DHA and contains:

- The name of the family to be assisted
- The names of the authorized occupants in the unit
- The address of the approved unit
- The amount of the Contract Rent
- The amount of the housing subsidy to be paid by DHA
- The amount of rent to be paid by the assisted family
- The landlord's right and responsibilities
- HACD rights and responsibilities

Responsibilities

Landlord Responsibilities

- Compliance with all of the owner's, manager's or agent's obligations under the Housing Assistance Payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Informing the PHA when tenants vacate units with no notice within 10 business days.
- Preparing and furnishing to the PHA information required under the HAP contract
- Collecting the security deposit, the tenant rent, and, and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services that are not the responsibility of the family as specified in the lease
- Allow reasonable modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Comply with all Fair Housing Regulations
- Complying with the Violence against Women Reauthorization Act of 2013 (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family (see 24 CFR Part 5, Subpart L; 24 CFR 982.310(h)(4); and 24 CFR 982.452(b)(1))

HACD Responsibilities:

- Determining family eligibility
- Determining housing assistance payments and tenant portion of rent
- Inspecting the units
- Executing the Contract and necessary forms

Tenant Responsibilities:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.

- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.
- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice.
- The family must not commit any serious or repeated violation of the lease.
- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.
- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA.
- The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child.
- The family must request PHA approval to add any other family member as an occupant of the unit.
- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied.
- The family must not sublease the unit, assign the lease, or transfer the unit.
- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.
- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
- Members of the household must not engage in any felonious criminal activity that results in arrest or conviction, this includes non-violent, non-drug related crimes. No household member may be on probation or parole for any felony conviction.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises.
- No household member may be on parole.
- No household member may be a life-time registered sex offender.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.

- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

Rent Increases

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

Rent increases will be given at **Annual Recertification time ONLY**. The rent increase form must be requested 90 days prior to the effective date of Annual Recertification and **MUST** be submitted to our office **NO LATER THAN 60 DAYS** prior to the effective date of the Annual Recertification. The rent increase form must be completely filled out and signed by the owner/manager and the client(s). No rent increase will be approved unless the annual HQS inspection has passed.

Terminations

The Lease terminates if any of the following occur:

- The owner terminates the lease in accordance with provisions of the lease.
- The tenant terminates the lease.
- The owner and tenant agree to terminate the lease.
- HACD terminates the contract.
- HACD terminates assistance for the family.

The Housing Assistance Payments Contract terminates if:

- HACD terminates program assistance for the family.
- The family moves out of the unit.
- HACD determines that available funding is not sufficient to support continued assistance for families on the program.
- HACD determines that the unit does not meet HQS space standards because of an increase in family size or a change in family composition.
- HACD determines that the owner has breached the contract.
- The Contract automatically terminates 180 calendar days after the last housing assistance payment is made to the owner. This refers to families who are paying the full amount of their contract rent but are still under lease and contract.

Transfer of Contract

The landlord **may not make any transfer**, in any form, of the HAP Contract, without the prior written consent of the HACD. A change in ownership of the unit or property management without written consent will result in a breach of the original HAP Contract; payments may be held or denied. HACD shall give its consent to a transfer of the contract if the transferee submits in writing an agreement to comply with all terms and conditions of the Housing Assistance Payments Contract. The transferee shall give the HACD a copy of the executed agreement.

Violence Against Women Act (VAWA)

For purposes of determining whether a tenant may be covered by VAWA, the following list of definitions applies:

VAWA defines *domestic violence* to include felony or misdemeanor crimes of violence committed by any of the following:

- A current or former spouse of the victim

- A person with whom the victim shares a child in common
- A person who is cohabitating with or has cohabitated with the victim as a spouse
- A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies
- Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction

VAWA defines *dating violence* as violence committed by a person (1) who is or has been in a social relationship of a romantic or intimate nature with the victim AND (2) where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

VAWA defines *stalking* as (A)(i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person OR (ii) to place under surveillance with the intent to kill, injure, harass, or intimidate another person AND (B) in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (i) that person, (ii) a member of the immediate family of that person, or (iii) the spouse or intimate partner of that person.

Moving to Protect Safety

- The housing authority **WILL** permit a victim to move and still keep rental assistance, even if their current lease has not yet expired.
- The housing authority may require that the tenant/client be current on their rent or other obligations in the housing choice voucher program.
- The housing authority will ask the tenant/client to provide proof that you are moving because of incidences of abuse.
- The owner **MAY NOT** prevent a tenant filing under VAWA from moving out the assisted unit.
- The owner **MAY NOT** hold the tenant filing under VAWA or the Housing Authority responsible for the remainder of the tenant/owner lease agreement.

Protecting Tenants at Foreclosure Act

Accordingly, the requirement of Section 702 to provide at least 90 day notice to tenants applies as follows:

- The advance notice applies to tenants in any foreclosed dwelling or residential real property, regardless of the type of loan or other security interest on the property.
- An advance notice of 90 days is the minimum period of notification. A longer period may be provided, for example, if greater protections are provided by state or local law.
- Responsibility for providing the advance notice to tenants falls on the immediate successor in interest of the property, which will generally be the purchaser.
- The notice must be given to anyone who, as of the date of the notice of foreclosure, is a bona fide tenant, whether or not there is a lease.
- In addition, Section 702 provides that a tenant under any 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. Even under this exception, however, the tenant must still be provided with the 90-day advance notice to vacate.

Fraud and Abuse

Incidents of fraud, willful misrepresentation or intents to deceive concerning the Section 8 Rental Assistance program are criminal acts (Section 1001 of Title 18 of the United States Code). If a landlord, tenant or Housing Agency employee is suspected of committing any fraudulent actions, the DHA is required to refer the matter to the proper authorities (Regional Inspector, General and/or local or state prosecutors).

Examples of fraud involving tenants include:

- Failing to accurately report all income the family is receiving
- Allowing unauthorized people to move into the unit
- Not using the home as a full-time residence

Examples of fraud involving landlords include:

- Requiring extra ("side") payments over the family's share of the rent, as determined by the Housing Agency.
- Allowing unauthorized people to move in with subsidized tenants.
- Collecting subsidy payments for unit not occupied by assisted tenants.
- Collecting the Housing Authority rent portion from the family, during abatement or suspension of owner payments.

Examples of fraud involving Housing Agency employees include:

- Accepting payments from landlords to certify substandard units as standard.
- Certifying ineligible applicants as eligible.
- Accepting kickbacks from landlords or tenants to allow rents in excess of the reasonable rent limitation.

If you know of any violation of fraud being committed, or if you have questions on the subject, contact the HACD at (217) 443-0621. The Housing Authority and HUD will take any action warranted to ensure cases of fraud are prevented.

How to Participate In the Program

Owners of units who are interested in participating in the rental assistance program should contact the HACD who will discuss the details for placing the rental units on the program. The HACD offers an advertising service to landlords by listing vacant properties on the "Section 8 Property Listing" for families looking for units. This Service does not guarantee leasing of the property. Please call (217) 443-0621 for further information.

Landlords also have free access to GoSection8.com where they can list their properties.