



LANDLORD HANDBOOK

Housing Choice Voucher Program (Section 8)

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EXHIBITS

1. HOUSING CHOICE VOUCHER
2. REQUEST FOR TENANCY APPROVAL (RFTA)
3. HOUSING CHOICE VOUCHER CONTRACT
4. TENANCY ADDENDUM

INTRODUCTION

The Housing Choice Voucher (Section 8) 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 City of Mesa Housing Authority (MHA), established on March 25, 1941, became a division of the City of Mesa on July 1, 1984. It is currently a department under the Housing and Community Development Division and is authorized to administer the Rental Assistance Programs within the city limits of Mesa.

The MHA provides rent subsidy to eligible extremely and very low-income families through the Housing Choice voucher Program. Under the Housing Choice Voucher Program (HCV), families pay approximately 30% (and not more than 40%) of their monthly-adjusted income toward rent and utilities. The MHA makes a housing assistance payment for the remaining part of the rent directly to the landlord. Housing payments are sent out from the City on the first working day of the month.

Rules and regulations for the Section 8 Housing Choice Voucher Program are determined by HUD (U.S. Department of Housing and Urban Development). This handbook was designed to help rental property owners or managers understand how the program works. Families must meet eligibility requirements and family obligations under the program. Owner obligations will be discussed further in this handbook.

Feel free to call the Mesa Housing Authority office or visit our website www.mesaaz.gov/housing at any time you have questions about the program.

ELIGIBILITY

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

1. Any single adult
2. Any person who is disabled
3. Any two or more persons sharing residency whose incomes and resources are available to meet the family's needs and who are related by blood, marriage or operation of law or who have evidence of a stable family relationship.

INCOME LIMITS

Income limits are adjusted annually to reflect the income of the area. Only those families who qualify at or below Very Low-Income (50% of the area's median income) are eligible to participate in the HCV Rental Assistance Program. A current schedule of Income Limits may be obtained at the MHA office.

APPLICATIONS

Applications are NOT available when the Waiting List is closed. Families **must** complete an application during the period the waiting list is open for applications. The application process verifies both the family's income, composition, and preferences during that period of time.

HOUSING CHOICE VOUCHERS

The Housing Choice Voucher (Exhibit #1) is documentation the family has met program requirements, is eligible to receive rental assistance and agrees to the terms and conditions of the program. The family has 60 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 household family; unless the MHA 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 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. Fair Market Rents (FMRs) are a combination of rent and tenant-paid utilities used for participants in the Section 8 Program. FMRs are adjusted annually by HUD to reflect the area's current market rents. Payment Standards are used to calculate the maximum amount of housing subsidy the MHA will pay on behalf of a family.

Payment Standards are not the actual amount of contract rent the family is eligible for. A family's eligible rental amount is determined by their gross household income, assets, expenses and deductions. A landlord may see three different Section 8 families and each one of them will have a different rental amount they are eligible for.

SELECTION OF TENANTS

The MHA 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 rental criteria. Some factors to consider are 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 to her criminal activity that is a threat to the life, safety or property of others. If a landlord submits a request, the MHA must give that landlord the family's current address and prior landlord. Other information about the family (as stated in the MHA Administrative Plan) may also be given to the landlord, with a properly signed release by the tenant.

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, national origin, handicap, age or familial status.

SECURITY DEPOSITS

The landlord should collect a security deposit from the assisted tenants just as the landlord would from an unassisted tenants. This security deposit is then credited toward any unpaid rent or damages when the tenant vacates. The landlord must follow state Law regarding security deposits. A copy of the current Residential Landlord and Tenant Act is available at the MHA office. Housing agencies are no longer authorized to pay claims for unpaid rent, damages or vacancy loss on any lease and contract effective October 2, 1995. Because the landlord will be receiving market rate security deposits, HUD has deleted the claim provisions from the current contracts. Landlords will treat Section 8 tenants in the same manner that non-Section 8 tenants are treated when they vacate a unit owing unpaid rent, damages or vacancy loss.

HOUSING AGENCY DISAPPROVAL OF OWNER

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

The MHA 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 payments 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 any 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 (Certificate and Voucher), or with applicable housing.

REQUEST FOR TENANCY APPROVAL

The Request for Tenancy Approval (RFTA) (Exhibit #2) is a request for a Lease on a unit described in the document. It states that the landlord is interested in participating in the program and gives the MHA the necessary information concerning the unit needed to execute a lease and contract. Attached to the RFTA is the Request for Taxpayer Identification Number and Certification (W-9 Form) and a Direct Deposit form. MHA and the City of Mesa will only pay its portion of rent through direct deposit. These forms 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). If the person completing the Request for Tenancy Approval is a Property Management company or agent for the owner, they must also attach a copy of the Management Agreement.

When completing the RFTA the Landlord should remember the following:

- Proposed Rent – is the total rent, including taxes, to be charged to the Tenant.
- 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.

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 MHA. The inspection is to insure the unit meets Housing Quality Standards (HQS) of being decent, safe and sanitary. In addition, the unit must meet the City of Mesa's Uniform Housing Code and Property Rehabilitation Standards. 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 any accessible from the outside lock properly
- All interior and exterior surfaces are free from cracking, scaling, peeling, chipping, and loose paint
- All appliances and bathroom facilities are clean and in working condition
- Bathrooms have an operable window or a working vent system
- All bedrooms have at least one operable window
- Heating and cooling equipment are safe, adequate, and in good working order
- Hot water heater is safely located, equipped, and installed
- Plumbing, electrical, and gas systems are safe, adequate, and in good working order
- No evidence of infestation
- Working smoke detector on each level
- Site and neighborhood are free from conditions that would endanger the health and safety of residents

HUD and MHA provide "A Good Place to Live!" an informational pamphlet on HQS Inspections.

NOTE: HQS Standards 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 PAYMENTS ARE SENT TO THE LANDLORD.

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. Special inspections may be conducted throughout the year at the request of the landlord, tenant, MHA, or HUD.

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 MHA may terminate housing assistance to a family because of any HQS breach by the family. If a landlord fails to correct HQS failed items, payments 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.

LEASE AND CONTRACT

Once the Housing Agency receives a Request for Tenancy Approval and the inspection is completed, a Lease Agreement and Housing Assistance Payments Contract (Exhibit #3) will be executed. The landlord uses his own lease to which a Lease Addendum (Exhibit #4) with standard required HUD language will be attached. The language in the lease 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 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 must contain:

- 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 MHA 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 housing subsidy to be paid by MHA
- The landlord's rights and responsibilities
- The MHA rights and responsibilities

RESPONSIBILITIES

The Landlord is responsible for:

- Screening and selecting tenants
- Enforcing the lease
- Making all repairs to the unit other than those caused by tenant neglect
- Collecting the security deposits and rent
- Abiding by the terms of the Lease and Contract
- Notifying MHA if tenant vacates unit

The MHA is responsible for:

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

The tenant is responsible for:

- Supplying any information the MHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status and any information for use in regularly scheduled reexamination or interim reexamination of family income and composition. All information supplied must be complete and true.
- Disclosing and verifying Social Security numbers and signing and submitting consent forms for obtaining information.
- Any HQS breach caused by the family or guests.
- Allowing the MHA to inspect the unit at reasonable times and after reasonable notice.
- Not committing any serious or repeated violations of the lease.
- Notifying the MHA and the owner, in writing, before the family moves from the unit or terminates the lease.
- Giving the MHA a copy of any owner eviction notice.
- Using the assisted unit as the only unit for residence by the family.
- Informing the MHA of the birth, adoption, or court-awarded custody of a child. The family must request approval of the landlord and MHA to add any other family member as an occupant of the unit. The family must also notify the MHA if any family member leaves the unit. If the landlord and MHA have given approval, a foster child or live-in aide may reside in the unit.
- Not subletting, letting, assigning, or transferring the unit to another party.
- Not having any interest or ownership in the unit.
- Not committing fraud, bribery, or any other corrupt or criminal act in connection with the program.
- Not engaging in drug-related criminal or violent criminal activity.
- Not receiving duplicate assistance for their unit.

RENT ADJUSTMENTS

The contract rent may be adjusted on the anniversary date of the contract (the anniversary date is set by the MHA and the lease agreement, the rent increase effective date must coincide with both). To approve a rent adjustment, the unit for which the rent is being adjusted must be in compliance with HQS. The new rent amount must be reasonable and not exceed rents charged by the landlord for other comparable unassisted units. The landlord must otherwise be in compliance with the terms of the lease and contract.

Landlords **must** return the rent increase request form at least 60 days before the anniversary date if any increase is to be effective on the anniversary date. The Rent Increase Form is available online at: www.mesaaz.gov; and can be printed from any printer connected to the internet.

Tenants on the Voucher Program **must** receive written notification, along with a copy to the MHA, of any rent increase at least 60 days in advance. If the family decides they cannot afford the unit, they will have time to give a written 30-day notice to vacate.

Since the MHA is only allowed to adjust the Payment Standard periodically, the tenant must absorb any increase if the rent exceeds the Payment Standard.

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.
- The MHA terminates the contract.
- The MHA terminates assistance for the family.

The Housing Assistance payments contract terminates if:

- MHA terminates program assistance for the family.
- The family moves out of the unit.
- The MHA determines that available funding is not sufficient to support continued assistance for families on the program.
- The MHA determines that the unit does not meet HQS space standards because of an increase in family size or a change in family composition.
- The MHA 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 THE CONTRACT

The landlord may not make any transfer, in any form, of the contract, without the prior written consent from the MHA.

A change in ownership of the unit, such as a stock transfer or transfer of the interest of a limited partner, is not subject to this provision. The MHA shall give its consent to a transfer of the contract if the transferee submits in writing an agreement to comply with all the terms and conditions of the Housing Assistance Payments Contract. The transferee shall give the MHA a copy of the executed agreement.

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 MHA 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 units not occupied by assisted tenants.

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 or fraud being committed, or if you have questions on the subject, contact the MHA at 480-644-3536.

The Housing Authority and HUD will take any action warranted to ensure cases of fraud are prevented or prosecuted.

HOW TO PARTICIPATE IN THE PROGRAM

Owners who are interested in participating in the rental assistance program should list their properties on www.socialserve.com. The MHA offers a courtesy listing of the properties in the front lobby.

Copies of the Arizona Residential Landlord and Tenant Act are available at the Housing Authority Office or on our website www.mesaaz.gov/housing.