

Effective HCV Program Management for SEMAP Success

MODULE 4: Leasing





Module 1: Introduction

Module 2: Overview of Indicators

Module 3: Intake & Eligibility

Module 4: Leasing

Module 5: HQS, SPV, VMS & Summary



Managing Leasing

Indicators 2, 3, 4, 7, 8,
13 & 15

Rent Reasonableness (Indicator 2)



- Measures whether a PHA has a written policy governing the determination of a reasonable rent to owner in compliance with HUD regulations
- Measures if a PHA implements the policy in the Administrative Plan, as stated

PHAs must have a written policy that it follows to document rent reasonableness determinations.

Rent Reasonableness (Indicator 2)



PHAs rent reasonableness system must take into consideration the following nine factors:

- Location
- Size
- Type
- Quality
- Age
- Amenities
- Housing services
- Maintenance
- Utilities provided by owner under the lease

Rent Reasonableness (Indicator 2)



- HUD term for market comparability
- Rent reasonableness determination must be completed:
 - At the time of initial leasing
 - Before any increase in the rent to owner
 - At the HAP contract anniversary if there was a 10% decrease in the published FMR in effect 60 days before the HAP contract anniversary
 - If directed by HUD

Indicator 2 – Tool Box



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- Administrative Plan Provision(s) – Rent Reasonableness
 - Listing of Assisted Families
 - Reasonable Rent Determinations

Utility Allowances (Indicators 3 and 4)



- Requires PHA certification that an annual utility allowance review has been conducted
- Utility allowance schedule adjusted where there was a change of 10% or more in the rate for a utility since the last revision.

Utility Allowance Schedule



- Established by:
 - Unit size (number of bedrooms)
 - Fuel source (natural gas, electric, etc.)
- Dollar amount is based upon typical cost of utilities and services in the locality
- Utility allowance schedule provided on Form HUD-52667

Utility Allowances



- Request for Tenancy Approval identifies:
 - Structure type and unit size
 - Utilities that the tenant must pay
 - The fuel type for each utility
 - Who provides stove and refrigerator

Indicator 4 – Tool Box



- Utility Allowance Schedule Prior FY
- Utility Allowance Schedule Current FY
- Utility Allowance Study
- Board Resolution (if applicable)

Annual Utility Allowance Review

- Was there a change in rate 10% (+/-)?
- Plan for new schedule implementation
- Effective Date

Family Briefings (Indicators 7&15)



- Each Voucher recipient must receive a briefing
- Briefing explains family responsibilities, how the HCV program works, and gives guidance about searching for a unit
- May be held individually or in groups
 - If group sessions are held, time should be allowed for one-on-one meetings following the briefing to address individual questions and concerns.
- Provide a voucher information package includes:
 - The voucher
 - Documents that help explain the program to a prospective landlord
 - Documents the owner and family must submit when the family finds a unit and willing landlord.

Family Briefings (Indicators 7&15)



- The briefing should explain to participants how long is the initial voucher search time, the length and time of extensions and how to request extensions.
- Briefings should include information on the benefits of living in high opportunity areas, and tips for searching for housing with a voucher.

Indicator 7 – Tool Box



Items to Review

- Information/briefing packet
- Maps
 - Jobs, schools, transportation
- Rental Unit Listing
- Portability Information

Payment Standards (Indicator 8)



- Payment standards are established by the PHA for each bedroom size
 - Based on FMRs
 - Set between 90 and 110% of FMR
- PHAs can adopt Exception Payment Standards as a reasonable accommodation for a household that includes a person with disabilities

Payment Standards (Indicator 8)



- The maximum a PHA can pay is the Payment Standard less the Total Tenant Payment

$$\begin{array}{r} \text{Payment Standard} \\ - \text{Total Tenant Payment (TTP)} \\ \hline \text{Maximum PHA Subsidy} \end{array}$$

- Maximum subsidy calculation may be done when family is issued a voucher
- Actual subsidy is calculated when family selects unit

Indicator 8 – Tool Box



- Payment Standards Prior FY
- HUD-published FMRs Prior FY
- Payment Standards Current FY
- HUD-published FMRs Current FY
- Payment Standard Analysis
- Board Resolution (if applicable)

HAP Contracts (Indicator 13)



HAP Contract (HUD-52641)

- contract between the PHA and the owner
- provides for the PHA to make monthly payments to the owner for a specific family in a specific unit.
- No payments may be made after either the family moves out or the lease term ends.

Prior to execution of the HAP contract the following must be completed:

- Passing initial HQS inspection
- Rent reasonableness report completed approving the contract rent
- A tenancy addendum must be attached to all HAP contracts

- A new HAP contract must be signed whenever the lease is revised.
- The PHA may not make any payments to the owner until the HAP contract is executed.
- The HAP contract must be signed no later than 60 days after the lease term starts.

HAP Contract Execution



- Contract between owner and PHA
- When owner and unit approved
 - Owner – debarred, suspended, limited denial of participation
 - Unit - HQS
- Contract and lease must run concurrently
- New contract required for changes in:
 - Tenant/owner responsibilities for utilities;
 - Family moves, even within the same building.

HAP Contract Effective Date



- PHA may not make HAP payment until HAP contract is signed by owner.
- Contract must be signed no more than 60 days after effective date
 - HAP payments may be made retroactive to beginning of lease term.
- If HAP Contract is not signed within 60 days of lease effective date, contract is void and no assistance can be paid to owner
- Term for new unit may begin in same month tenant moves out of previous unit
 - Not duplicative subsidy



**End of
Module 4**