



**CLOQUET/CARLTON HOUSING
AND REDEVELOPMENT AUTHORITY**

**SECTION 8
HOUSING CHOICE VOUCHER
PROGRAM**

OWNER HANDBOOK

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Introduction

This Handbook has been prepared to assist housing providers understanding of the Department of Housing and Urban Development (HUD) Section 8 Housing Choice Voucher Program.

HUD determines the rules and regulations of the Housing Choice Voucher Program and the Cloquet Housing and Redevelopment Authority (Cloquet HRA) determine the policies which are set forth in the Section 8 Administration Plan.

The goal of the Cloquet HRA is to provide excellent service to participating families, individuals and housing providers. The success of participating individuals and families depend on housing providers, who have decent and safe rental units, willingness to rent to Voucher holders.

If you know of someone who has rental units and may be interested in this program, the Cloquet HRA will be happy to explain the Voucher Program and provide any information they require.

The Cloquet HRA administers the Housing Choice Voucher Program within the Carlton County area.

Description of the Housing Choice Voucher Program

Under this program, eligible individuals or families select a rental unit and pay about 30% of their monthly income toward the rent. The Cloquet HRA subsidizes the remaining amount. Family and unit eligibility and subsidy calculations are reexamined annually.

The Voucher program allows families to move nationwide and still receive assistance.

Responsibilities within the Housing Choice Voucher Program

The Voucher program is a three-way partnership between the Cloquet HRA, Family and the Housing Provider. The Voucher Program does not interfere with the basic tenant/landlord relationship.

Chapter I

The Cloquet HRA Responsibilities

- Provide participating families and housing providers with prompt, courteous and professional services.
- Explain the rules of the program to eligible families and housing providers.
- Determine participants' initial and continued eligibility.
- Approve the unit and ensure the lease does not contain prohibited language.
- Issue Housing Assistance Payments (HAP) to housing providers in a timely manner.
- Comply with the terms of the HAP Contract with the housing provider.
- Comply with the State of Minnesota laws.

The Participating Tenant Family's Responsibility

- Take responsibility for the care of their housing unit.
- Pay rent on time and comply with the terms of their Lease.
- Comply with the family Obligations of the Voucher.
- Provide the Cloquet HRA with complete and accurate information.
- Cooperate with the Cloquet HRA by attending all scheduled appointments and providing information and documentation in a timely manner.
- Comply with the Landlord/Tenant Laws of the State of Minnesota.

The Housing Provider's Responsibilities

- Screen tenant families who apply to determine if they meet your criteria.
- Maintain the unit.
- Collect rents and enforce the lease.
- Cooperate with the Cloquet HRA.
- Comply with the terms of the HAP Contract.
- Comply with the Landlord/Tenant Laws of the State of Minnesota, and the Fair Housing laws.

Chapter II

How Section 8 Operates - Owner's / Landlord's Perspective

Step 1 - Finding a Tenant Family

When funding is available and a tenant family is determined to be eligible for the program, the CHRA issues the family a Voucher. Vouchers are issued for at least 60 days, but may be extended for an additional 60 days.

In the Section 8 Housing Choice Voucher Program, the owner / landlord may reject a tenant family. Landlords are encouraged to screen their tenants. Check with prior landlords as to conduct and damage, running credit reports and criminal background checks are some of the tools used in tenant screening. **The CHRA does NOT screen Section 8 applicants for suitability as your tenant.**

Step 2 - CHRA Approves Lease and Unit

The tenant family will be given a Request for Tenancy Approval form at the tenant family briefing for the Owner/Property Manager to complete. It states that the owner / landlord is interested in participating in the program and gives the CHRA the necessary information concerning the unit in order to execute the lease and Housing Assistance Payment Contract (HAP). The owner / landlord should attach a copy of their lease for CHRA review. The CHRA will review the lease for acceptability under HUD regulations. A HUD Tenancy Addendum is also required. Provisions in the Tenancy Addendum supersede the lease if the two documents conflict.

Security Deposits

The owner / landlord may collect a security deposit. The CHRA encourages the owner / landlord to collect security deposits. The CHRA does not provide financial assistance to tenant families for security deposits.

Rent Reasonableness

If the CHRA believes the rent is not reasonable and cannot be accepted, the CHRA will contact the owner / landlord and negotiate an acceptable rent. Please inform the CHRA of comparable units in the area that support your requested rent.

Housing Quality Standards (HQS)

The CHRA will notify the owner / landlord and the tenant family of the date and time of the HQS Inspection. You or your representative must be present for the inspection. The CHRA must inspect all units prior to lease-up and at least annually as long as the rent is subsidized. The inspection usually takes less than 30 minutes. Attached is a basic description of HUD Housing Quality Standards.

If the unit does not pass the HQS inspection, the CHRA will discuss the deficiencies with you to determine if you are willing to make the repairs /changes necessary for the unit to pass the HQS inspection. The CHRA will not make rental assistance payments until the unit meets HQS. If you choose not to make the repairs, the CHRA cannot subsidize the rent for that unit.

Lead Based Paint

You have a responsibility to inform tenants about the hazards of lead based paint. Your responsibilities are in the Federal Law and apply to both Section 8 and private rental units. You are required by Federal Law to use an EPA form to disclose lead paint Hazards. Additional information on lead poisoning was provided to the tenant family by the CHRA.

Should the CHRA Inspector see peeling or deteriorating paint, certain steps must be followed to verify that the tenant family will not be at risk. Lead paint abatement can be costly and time consuming and settlements from lead paint lawsuits can be expensive. The best way to avoid these costs is preventive maintenance of the interior and exterior paint.

Step 3 - Contract and Lease Signed

Once the Lease and unit are approved, the lease, which binds owner / landlord and tenant family, will be signed.

The Voucher Program Housing Assistance Program Contract (HAP), which binds owner / landlord and the CHRA, will also be signed.

Step 4 - 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 unit rent. Failure of the tenant family to pay the tenant rent is a violation of the lease. The CHRA will inform, in writing, the tenant family and the owner / landlord of the HAP and tenant rent amounts.

Step 5 - CRHA Payment to Owner / Landlord

The CRHA will continue to make Housing Assistance Payments to the owner / landlord as long as:

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

By endorsing the monthly HAP check from the CHRA, the owner / landlord certifies that the tenant family is still in the unit and the unit meets HQS. If there are any changes in the tenant family or the rental unit the owner / landlord must notify the CRHA immediately of the change.

Chapter III

How Families and Individuals Become Section 8 Participants

Applications

Families who are interested in participating in the Section 8 Housing Choice Voucher Program are encouraged to complete an application. Applications may be obtained at the office of the CHRA, 950 14th Street, Cloquet, MN or mailed.

Information can be obtained at the CHRA e-mail address:

bob@cloquetcarltonhra.org

The Section 8 program is not an entitlement and has a limited number of Vouchers to issue. Families who are determined to be eligible for assistance based on a preliminary review are placed on the Waiting List based on the time and date of their application. Veterans and Carlton County residents have a preference on the Waiting List.

Eligibility

Once a tenant family reaches the top of the Waiting List a letter is sent requesting that the family meet with a CHRA representative. At this meeting, the eligibility process is begun. To be eligible for participation, a family must meet HUD's criteria, as well as any additional criteria established by the CHRA.

- An applicant must cooperate with the CHRA
- An applicant must furnish Social Security Numbers
- An applicant must attest that they are either Citizens or Eligible Immigrants
- An applicant must be within the appropriate income limits
- No members of the tenant family may have violated any tenant family obligation during a previous participation in the Section 8 Program during the last three years
- No member of the tenant family may be engaged in drug-related or violent criminal activity in the last three years
- No member of the tenant family may be required to permanently report as a sex offender
- No member of the tenant family may have been involved in the manufacture of meth-amphetamines at or near assisted units at any time
- No member of the tenant family may have engaged in or threatened abusive or violent behavior toward personnel at CHRA at any time.

- An applicant must furnish a photo ID
- No member of the tenant family may owe any outstanding debt to any HRA as a result of prior participation in any Housing Program. The CHRA will not enter into repayment agreements with new participants.
- The tenant family's Total Tenant Payment (TTP), as computed in accordance with HUD Regulations, may not exceed the current Fair Market Rent as set by HUD/CHRA based on the CHRA's subsidy standards.

If the family is determined to be eligible, a Voucher will be issued.

After being issued a Voucher, the tenant family will have at least 60 days to locate a rental unit that meets HUD and CHRA standards and is in good repair. Tenant families may request, in writing, an extension of their Voucher for an additional 60 days should they need additional time.

The tenant family may select a:

- House
- Apartment
- Duplex
- Townhouse
- Condominium
- Mobile Home

The rent must be reasonable and comparable with similar units in the community. The rent must be affordable for the family (HUD's 40% affordability test).

The CHRA cannot approve a unit if the units' owner is the parent, child, grandparent, grandchild, sister or brother of any member of the tenant family. Note: The CHRA may grant an exception if it determines that approving the unit would provide reasonable accommodation for a tenant family member who is a person with disabilities.

The tenant family may be eligible to move to another city or state. This is called "Portability". Requests to move must be in writing and will be evaluated in accordance with HUD regulation and CHRA policy.

Chapter IV

HUD Required Annual Activities

Re-Certification of the Tenant Family

The CHRA 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 CHRA will pay in HAP. The CHRA will provide advance written notice to the tenant family and to the owner / landlord if the tenant family's portion of the rent changes as well as the amount of the CHRA's HAP payment.

Should the tenant family lose its eligibility, the CHRA 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 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 or termination of the HAP Contract.

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. If the owner / landlord refuses to correct the deficiencies, the CHRA will terminate the HAP Contract.

The owner / landlord may charge the tenant family for tenant caused damage, deduct the amount from the security deposit, evict the tenant and / or sue the tenant family as allowed under Federal and State Law.

Rent Adjustments and Increases

The rent the owner / landlord charges 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 CHRA 60 days' written notice of any increase before it is to take effect. The CHRA or the tenant family may reject the new Lease.

To be eligible for a rent adjustment or increase:

The Rent Unit must be in compliance with HQS, the proposed Contract Rent must be reasonable and not exceed rents 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.

Chapter V

Lease and HAP Contract Termination

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

Termination of the Lease by the Tenant Family

After the initial lease term (at least one year) the tenant family may move. The tenant family is required to provide a written notice of its intent to the owner / landlord and the CHRA. The notice must be at least 30 days before the scheduled move out date or longer if specified by the lease.

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

After the initial lease term (at least one year) the owner / landlord may terminate the lease for:

- Business or economic reason for regaining possession of the unit
- Owner's / 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 CHRA with a written notification canceling the lease at least 30 days (longer if specified in the Lease) prior to the effective date.

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

- At any time during the lease term the owner / landlord may terminate the lease through eviction.
- The owner / landlord is required to evict using the 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 CHRA with a copy of the eviction notice.

The HAP Contract allows the owner / landlord to 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:
- 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
- Any drug-related criminal activity on or near the premises
- Tenant family history of disturbances of neighbors, destruction of property or behavior resulting in damage to the premises

If the action is finalized in court, the owner / landlord must provide the CHRA a copy of the documentation, including notice of the vacate date.

The CHRA may continue making HAP payments to the owner / landlord after the termination date in accordance with the Contract as long as the tenant family continues to occupy the unit. By endorsing the monthly check from the CHRA, the owner / landlord certifies that the tenant family is still in the unit and that the owner / landlord is in compliance with the HAP Contract.

Termination of the HAP Contract by the CHRA

The HAP Contract has an ending date, but it does not terminate on the date. The CHRA or the owner / landlord may terminate the HAP Contract as provided in the Contract itself.

- Termination of the Lease by tenant family or owner / landlord automatically terminates the HAP Contract.
- The tenant family becoming ineligible automatically terminates the HAP Contract

Chapter VI

Owner / Landlord Disapproval and Restrictions

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

Disapproval of Owner / Landlord (24CFR 982.306, 982.54 (d) (8))

The CHRA must 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 24CFR part 24
- HUD has informed the CHRA 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 CHRA 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 CHRA may disapprove the owner / landlord for the following reasons:

- The owner / landlord have violated obligations under a HAP Contract. The owner / landlord has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal or State Housing Program
- The owner / landlord has engaged in drug-related criminal activity
- 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 HRA

Owner / Landlord Restrictions and Penalties (24 CFR 982.302 (a) (8), 982.453)

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

Overpayments

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

The CHRA 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 repay the CHRA or the tenant family, as applicable.

Housing Discrimination

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

Fraud and Abuse

Incidences of fraud, willful misrepresentations, or intent to deceive with regard to the Section Housing Choice Voucher Program are criminal acts. If an owner / landlord, tenant family or CHRA employee is suspected of committing any fraudulent actions, the CHRA is required to refer the matter to the proper authorities (Regional Inspector General and / or local or State prosecutors).

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 CHRA
- Not using the residence as a full time residence
- Entering into "side agreements" for payments in excess of the tenant's share of the rent

Examples of Fraud Involving Owner / Landlord

- 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 CHRA Employees

- Accepting payments from 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

Reporting Fraud

If you know of any violations or fraud being committed, or if you have questions on the subject, contact the CHRA at 218-879-3353 and ask to speak to the Housing Choice Voucher Coordinator. The CHRA will take any action warranted to ensure cases of fraud are prevented or prosecuted.

The Cloquet Housing & Redevelopment Authority
is an Equal Opportunity Housing Agency