

# **A Landlord's Guide to Section 8 Housing Choice Vouchers**

Manhattan Housing Authority

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## **What is the Section 8 HCV Program?**

The Section 8 housing choice voucher (HCV) program was started under the National Housing Act of 1937. It is the federal government's primary program for assisting very low-income families, the elderly, and persons with disabilities to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the HCV tenant, participants are able to find their own housing, including single-family homes, townhouses and apartments. Housing choice vouchers are administered locally by public housing agencies (PHAs) that receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the HCV program. This means that the tenant, landlord and PHA all have obligations and responsibilities under the HCV program.

### **Summary of the HCV Program**

Families interested in receiving housing assistance must first discover if they are eligible for the HCV program. They must share with the local PHA their annual income, which is defined as the anticipated total annual income from all sources, including from employment, public assistance, pensions, child support, SSI, and many others. The PHA then accounts for any deductions and allowable expenses to determine a family's adjusted annual income.

After the family's total annual income is determined, the PHA calculates the total tenant payment (TTP). The TTP in the HCV program is the amount a family would pay toward rent and utilities, and is the greatest of: 30% of the family's monthly adjusted income; 10% of the family's gross monthly income; or, the PHA's minimum rent.

Once a family's TTP is set, the PHA issues a payment standard, which is the maximum amount in rent and utilities costs a family should accrue monthly. The PHA then subtracts the family's TTP from the payment standard. This amount is the value of the housing assistance the family may receive if issued a HCV.

Families that are issued a HCV have 60 days to find a unit that is an appropriate size, passes a housing quality standard inspection conducted by the local PHA, and is reasonably priced. The owner of the unit must also be

willing to enter into a Housing Assistance Payments (HAP) contract with the PHA and to follow the HCV program rules.

If the owner approves the family as tenants, a request for tenancy approval (RFTA) form and a HUD tenancy addendum must be submitted along with the unsigned lease to the local PHA. Once the documents are received by the PHA, the agency will review it for approval. If approved, the PHA will make an appointment to inspect the housing unit. If the unit is deemed suitable for the family and the rent is reasonable, the family and landlord may proceed to sign the lease and the PHA will enter into a HAP contract with the landlord.

With all of the paperwork and inspections complete, the PHA will begin making monthly rent payments to the owner. If a PHA fails to make a timely payment, the agency may be obligated to pay a late fee depending on state or local laws, and the lease agreement.

The ultimate goal of the HCV program is to build positive public-private relationships between tenants, landlords, and PHAs and foster integrated communities where everyone has the opportunity to love where they live.

## How to Become a HCV Landlord

Below is a summarized step-by-step process of how to become a HCV landlord. For more information about the process, please contact the MHA.

1. **Contact Your Local Housing Authority:** Landlords who would like to rent to families with a HCV should contact their local PHA for details on the process and how to alert prospective HCV tenants of available units.
2. **Select A Tenant:** Eligible families are admitted to the HCV program by the PHA. Landlords may select and approve one of these families based on their own criteria, such as rental history and background checks. The PHA must determine if the proposed rent is reasonable compared to similar units in the market and is not higher than what other unassisted tenants on the premises are paying.
3. **Ensure The Unit Meets Minimum Housing Quality Standards:** An inspector from the PHA will schedule a housing quality inspection with the landlord before the lease and HAP contracts are officially filed. The inspection poses *zero costs* to the prospective landlord. Below are examples of what an inspector is looking for when assessing the quality of a unit:
  - Sanitary facilities
  - Food preparation and refuse disposal
  - Space and security
  - Thermal environment
  - Lighting and electricity
  - Structure and materials
  - Interior air quality
  - Water supply
  - Lead-based paint
  - Accessibility
  - Site and neighborhood
  - Sanitary conditions
  - Smoke detector
4. **Sign Lease & HAP Contract, Start Receiving Payments:** After the lease is signed and submitted to the PHA, the landlord will receive a HAP contract from the PHA to sign. Once the HAP is executed, the PHA will submit monthly payments to the landlord and the family will pay the remainder of the rent.

## **Responsibilities: HCV Tenants, Landlords & the PHA**

It is important that HCV tenants, landlords, and the PHA fulfill their responsibilities, as outlined below. Doing so can create a mutually beneficial relationship in which all can thrive.

### **HCV Tenants**

To determine eligibility for the HCV program, tenants must supply all required information to the local PHA and ensure that the information provided is true and complete. Tenants are responsible for meeting housing quality standards requirements, such as paying their portion of the rent on time, taking care of the unit, and paying for any damages to the unit or premises beyond normal wear and tear. Other family obligations are included in the voucher. Failure to adhere to the lease or voucher agreement can result in serious consequences, up to and including eviction and termination from the HCV program.

### **HCV Landlords**

Landlords are expected to provide decent, safe, and sanitary housing at a reasonable rent to HCV tenants. They may conduct their own established screening process. Landlords should work with the PHA to schedule regular inspections and make any updates to units as needed in a timely manner. If a landlord intends to raise the rent on a unit occupied by a HCV tenant, they should give a 60-day written notice to the PHA in advance of when the increase is to take effect. Landlords should treat HCV tenants with the same respect and hospitality as they would any other tenant.

### **The PHA**

The PHA's responsibility is to support low-income families in their search for decent, safe, and sanitary housing that meets their needs. To accomplish this task, the PHA will determine an affordable TTP and payment standard based on a family's income. The PHA will guarantee landlords receive rent payments at the beginning of each month and ensure families contribute their portion of the rent as well. Lastly, PHA inspectors will work with landlords to maintain quality housing units for HCV and unassisted tenants.

## Myths & Benefits of HCV Leasing

### Myths of HCV Leasing

Myth: “Landlords can’t charge HCV tenants the same rent as unassisted tenants.”

- Landlords can charge the full rent no matter who the tenant is. The PHA must determine if the proposed rent is reasonable and is not higher than units in the area with similar amenities or than what unassisted tenants on the property are paying. Additionally, HCV tenants are expected to identify housing that is affordable to them, meaning they should ideally search for units they could afford at full price with their adjusted annual income, TTP, and payment standard.

Myth: “HCV tenants are problem tenants.”

- Actually, HCV tenants are typically longer-term tenants, living in a unit for an average of 7-8 years, as compared to the national average of 3 years among all renters. Moreover, there is no statistical evidence showing that HCV tenants are more likely to damage units or not pay their rent than unassisted tenants. HCV tenants may also be subject to landlords’ screening criteria, in addition to the PHA’s screening, to verify they’ll be good clients.

Myth: “It is nearly impossible to evict a HCV tenant when they violate the lease.”

- HCV tenants are bound by the terms of their rental agreements and are subject to eviction in the same manner as unassisted tenants.

Myth: “Accepting one HCV tenant means that all of your units must be rented to HCV tenants.”

- Renting to HCV tenants does not obligate landlords to rent to other HCV tenants. For each available unit, landlords may follow their own established policies for screening and leasing to prospective tenants.

Myth: “There is a ton of paperwork involved in leasing to an HCV tenant.”

- In addition to a landlord’s standard lease, there are only three other documents to sign when leasing to a HCV tenant: (1) the RFTA, (2)

Tenancy Addendum, and, (3) the HAP. Of these three documents, the landlord only needs to maintain copies of the RFTA and the HAP.

### **Benefits of HCV Leasing**

- Landlords will receive timely and dependable payments from the PHA at the beginning of each month, once the HAP contract and lease are signed.
- Landlords will receive full rental payments. Even if a HCV tenant's income changes, the PHA will work with them to ensure full payments are made.
- Many landlords appreciate the free routine inspections conducted by their local PHA's inspectors because it helps them identify maintenance needs that may have gone unnoticed.
- Landlords may request annual reasonable rent increases at the yearly anniversary of the HAP contract through written notice to the PHA.
- Landlords who lease to HCV tenants are helping marginalized individuals find housing in their communities. According to HUD, more than 50% of vouchers serve low-income elderly or non-elderly disabled families, and 45% of vouchers assist single-parent families.

## **Resources & Contact Information**

### **Resources for Landlords**

“Becoming A Section 8 Landlord: A Guide”:

[www.rocketmortgage.com/learn/section-8-landlord](http://www.rocketmortgage.com/learn/section-8-landlord)

Housing Choice Voucher Flow Chart:

<https://files.hudexchange.info/resources/documents/PIH-HCV-Landlord-Lease-Up-Process-Handout.pdf>

“HCV Landlord Resources”:

[www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/landlord](http://www.hud.gov/program_offices/public_indian_housing/programs/hcv/landlord)

“Housing Choice Voucher (HCV) Myth-Busting and Benefits Fact Sheet”:

<https://files.hudexchange.info/resources/documents/PIH-HCV-Landlord-Myth-Busting-and-Benefits-Fact-Sheet.pdf>

“Interested in Becoming A Housing Choice Voucher (HCV) Landlord?”:

[www.hud.gov/sites/dfiles/PIH/documents/HCVLandlordStepsFlyer100220.pdf](http://www.hud.gov/sites/dfiles/PIH/documents/HCVLandlordStepsFlyer100220.pdf)

“The PHA’s Role in the Housing Choice Voucher Program”:

<https://files.hudexchange.info/resources/documents/PIH-HCV-Landlord-The-PHA-Role-in-the-Housing-Choice-Voucher-Program.pdf>

### **MHA Contact Information**

The MHA is committed to fostering partnerships with landlords who lease to HCV tenants. For more information about how to become a HCV landlord, please visit the MHA website or contact the agency’s HCV director.

Manhattan Housing Authority

- Website: <https://www.mhaks.com/>
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