

Dear Owners:

Thank you for your interest in the Metropolitan Housing Alliance (MHA) Housing Choice Voucher (HCV) Program. This is a general guide to policies, procedures, and regulations that govern the program.

The HCV Program is designed to fill the gap between what a family can afford to pay and the actual rent payment. The success of the program depends on MHA being able to contract with property managers and owners who have quality, affordable rental units.

All HCV families and owners are subject to federal rules and regulations. MHA will make every effort to inform you of HCV rules, and to advise you of how any new or revised rules affect your participation in the program.

We look forward to you becoming a partner in MHA's mission to provide affordable housing to low-income families in Little Rock. We invite you to visit our HCV office or website for program information and to list your rental unit. If you have any questions please contact MHA at (501) 340-4821.

Welcome to the HCV Program (formerly Section 8).



Purpose

The HCV Program was established by Federal government, and administered by the MHA under contract with the U.S. Department of Housing and Urban Development (HUD) to subsidize the rent of low-income families.

HCV is a federally funded Housing Assistance Payment (HAP) program. It is different from other subsidized housing programs in that HCV allows the participant to pick from privately owned housing in Little Rock, Arkansas and other areas of the state and country.

Each applicant has the freedom of choice in the location and is encouraged to locate suitable housing outside of poverty neighborhoods or areas with high racial concentrations.

The participant may choose where they want to live..... across town, in Arkansas or in another state. It is their choice.

Introduction:

The MHA is pleased to have you participate with us in an effort to improve the quality of living for the residents of Little Rock, Arkansas and its surrounding areas.

This guidebook is designed to give you the basic information about the HCV Program, requirements as the landlord/agent, and your relationship with program participants and with the MHA.

If you encounter a situation not expressed or understood, please call MHA at (501) 340-4821. We encourage you to review the guidebook and become familiar with the information.

We welcome you to the MHA Program! We will make every effort to insure that your participation as a landlord/agent is the most pleasant experience for you.

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Metropolitan Housing Alliance Mission Statement

The mission of MHA is the same as that of HUD: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

The Landlord

Through hard work and persistence, the landlord provides housing for those who do not choose to own their own property.

The landlord epitomizes what has made this nation great: individual achievement. The landlord is the embodiment of the idea that each person has the ability to be successful if he or she is willing to do what is required for success.

Because of the landlord some 40% of this nation's people have a place to live.

Because of the landlord: builders, remodelers, craftsmen, banks, mortgage banker, insurance companies, utilities and many other businesses make a profit.

Because of the landlord local governments receive billions of dollars in property tax revenue to provide streets, roads and highways; to provide street lighting, bridges, police protection, fire protection, schools, parks, community centers, senior services, and many more services which make our cities better places to live.

Because of the landlord's diligence and hard work, you should be proud to be a landlord.

Responsibilities

The participating family, the owner and the MHA are all involved in the process of ensuring that the dwelling unit complies with Housing Quality Standards (HQS). A summary of the responsibilities of each party is provided:

MHA:

- **Ensure that all units meet HQS**
- **Make initial inspection in response to Request for Tenancy Approval**
- **Encourage participants and owners to maintain units**
- **Make complaint inspection at the request of the owner or participant (move-out inspections are not conducted by MHA)**

Participant/Tenant:

- **Comply with the terms of the lease**
- **Keep the dwelling safe and sanitary**
- **Notify the owner of any necessary repairs**
- **Allow inspection of unit at reasonable times after reasonable notice**
- **Notify owner and MHA in writing before moving**
- **Notify MHA of any family composition change (must be approved in writing by MHA and landlord)**
- **Pay utility bills and supply appliances that the owner is not required to supply**
- **Live in harmony with neighbors, keep noise to a minimum and avoid conflicts**
- **Avoid any unlawful activity, including drug activity**

Property Owner/Landlord:

- **Comply with the terms of the lease**
- **Keep the dwelling unit safe and sanitary**
- **Make necessary repairs within the prescribed time frame**
- **Comply with fair housing laws**
- **Collect security deposit, rent, and other charges (the landlord should not assume that MHA will pay 100% of the rent for each resident)**

- **Provide MHA with a copy of eviction notice if the tenant is evicted (if applicable)**
- **Notify MHA of tenant move without notice (if applicable)**
- **Don't commit any criminal act in connection with any federal housing program or engage in such activity**

Vouchers and Payment Standards

The voucher is a document that guarantees the payment of rental subsidy when a participant finds and appropriate unit that meets program requirement. Participants must receive prior approval before signing a lease.

Payment standards represent the maximum amount of subsidy that can be paid for any rented unit under the HCV Program during the initial lease term.

Leasing the Property

You may list your property with MHA for additional advertisement to MHA participants. A listing form can be completed and returned to the front desk at 100 S. Arch St. Little Rock, AR 72201. You should use the same diligence in screening a potential MHA participant as you would any other potential tenant that is not receiving housing. Make sure that your tenant selection standards are based on objective, business-related considerations, such as previous history of non payment, damage of property, or disturbance of any neighbors. Tenant selection must not be based upon race, color, age, religion, sex, familial status, disability, or any other discriminatory factors.

When you and the participant agree to proceed with leasing, you will be requested by the tenant to complete a Request for Tenancy Approval (RFTA), Rent Comparability Survey and Lead Form (if built before 1978). The RFTA indicates the identification and location of the dwelling, that amount of rent charged, and whether or not utilities and appliances are provided. If the refrigerator and stove are NOT provided by you, you must indicate that the tenant is responsible for providing the appliances on the RFTA and survey. This is indicated on the RFTA by writing "T" in the "provided by" column of the refrigerator and stove. The forms listed above must be complete (do not leave any inquiries blank, estimate built date if needed, all parties signature if requirement indicated). The completed forms are then returned to MHA by the tenant or landlord. Please follow up with MHA on any faxed documents.

When the documents are received by MHA, the information provided by you will be used to test the requested rent amount for rent reasonableness (MHA uses a computerized third party to compare other similar units to your unit)

and affordability based on the client's income. The rent charged to MHA participants must be comparable to rent charged for similar unassisted units. If the rent is reasonable and the tenant can "afford" the unit per HUD standards, the inspection scheduler will contact you to schedule an inspection. Once the unit passes inspection (MHA will only inspect twice), a lease should be executed between you and the tenant. The initial lease term must be at least 12 months and begin the latter of the move-in date or the day after the inspection passes. For example, the unit passed inspection on January 1, 2012, the tenant moves in on January 10, 2012. The lease should begin on January 10, 2012. If the tenant moves in before January 2, 2012, a new lease should be executed for housing requirements. The tenant is responsible for any prorated amount before the day after the unit passes inspection if the tenant moves in before that date. No leases will be accepted if the date is on or before the day of the passed inspection. The lease must comply with state and local law. The lease must include the following:

- **Name of owner and tenant**
- **Unit address, including unit number if applicable**
- **Monthly rent amount (ensure that the amount agrees with the approved RFTA)**
- **Individual utility and appliance responsibility (must agree with the RFTA and survey completed before the inspection)**
- **Attached tenancy addendum (the addendum must be attached to the lease when you provide the lease to the tenant and MHA). The tenancy addendum is a HUD-required addendum that must be incorporated into the lease or attached to it when executed with the tenant and provided to MHA.**
- **List of all members occupying the unit**
- **State that criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises that threatens the health, safety or right to peaceful enjoyment of their residences by other residents or persons residing in the immediate vicinity of the premises is grounds to terminate tenancy.**

Once the executed lease is received and approved by MHA, a staff member will email, fax, or mail you a Housing Assistance Payment (HAP) Contract. This is a contract between you and MHA. Please read it carefully. The contract should indicate MHA's portion of rent. If you are unsure of the tenant's portion of rent after the inspection has passed, you can contact the tenant's caseworker at (501) 340-4841. The HAP Contract should be signed and returned to the staff member within 90 days of the lease start date. No payments will be sent to you before the HAP Contract is received. A written notice of the tenant's portion of rent will be mailed after the HAP Contract is received. MHA schedules payments to landlords once a month, the first business day of each month.

Rent Increases

You must not increase the rent charged without prior approval from MHA. Rent increases are not allowed within the initial lease term. Rent increases are only permitted once a year. The rent increase must be requested using MHA's rental increase request form before 60 days of the tenant's anniversary date. The tenant's anniversary date is the first day of the month in which the tenant moved in the unit. For example, a tenant moves in a unit on October 31, 2012. The tenant's anniversary date is October 1st of each year. The rent increase request must be received by MHA before close of business on August 2nd. Annual rent increases for lease renewals are not automatic. All rent increases are subject to rent reasonableness (same as the initial rent approval). There is no cap on the family's annual rent increase.

Security Deposits

Families are responsible for paying any security deposit directly to the owner/agent. The owner may collect a security deposit from the tenant. When a tenant moves out, the owner, subject to state or local law, may use the security deposit including any interest earned on the deposit, as reimbursement of any tenant caused damages to the unit or other amounts the tenant owes under the lease which state/local laws allow to be deducted.

The owner must give the tenant a written list of all items and amounts charged against the security deposit. After deducting the reimbursement due owner, the owner must refund the unused balance within 30 days of move out. If the security deposit is not sufficient to cover amounts that the tenant owes under the lease, the owner may seek to collect the balance from the tenant through a local court. MHA will not pay for damages to the unit caused by the tenant or any occupants and unpaid rent from the tenant.

Understanding Rent Change Notices

MHA's portion of contract rent may change during the lease term due to tenant change in income and circumstances. The total contract rent will not change due to these adjustments. The portions of tenant and MHA rent will change, but will total the contract rent. You will be notified of a decrease in MHA's portion at least 30 days before the change.

- **Total Contract Rent.** The total contract rent amount is the rent that the owner charges for a unit.
- **Total Resident Rent.** The total resident rent amount is the amount that the family will be obligated to pay monthly to the owner.
- **Housing Assistance Payment.** The housing assistance payment is the amount that MHA is obligated to pay monthly to the owner.
- **Utility Reimbursement Payment.** The utility reimbursement payment is the amount that MHA is obligated to pay monthly to the tenant.
- **Effective Date.** The effective date is the date that the changes go into effect. A 30 day notice from MHA to the owner and tenant is required for decreases in HAP payments. A 30 day notice is not required if a delay in processing is caused by the owner or tenant.

Annual Inspection

MHA will inspect the unit at least annually. The annual inspection will be scheduled at least 60-90 days before the expiration of the HAP Contract and is performed in conjunction with the re-certification of the participating family. You are not required to attend the annual inspection. If violations of HQS are found, the housing inspector will describe the deficiencies in a report to you. Serious deficiencies, which present an immediate danger to the health and safety of the family, must be corrected within 24 hours. All other deficiencies must be corrected by the time period indicated in the report, not to exceed 30 days from the report. If the situation is not corrected within the time period given, MHA must abate the unit. Abatement means that MHA will not make payments to you starting from the original correction deadline to the time in which the correction is made. The abatement period must not exceed 30 days. If the deficiencies are not corrected before the abatement end date, the tenant must move in order to continue assistance. The tenant has the option to move from the first day of abatement without being held to the lease term. The tenant must continue to make the tenant portion rent payments during abatement. The tenant is not allowed to pay MHA's portion of rent payment. MHA will resumed payments the day the corrections are fully completed (if completed before the abatement end date), but MHA will not make payments for time period the unit was not in compliance.

The regulations stipulate that each unit leased under the MHA Program shall meet basic "Performance Requirements" with respect to the following:

- **Sanitary facilities**
- **Food preparation and refuse disposal**
- **Space and security**
- **Thermal environment**
- **Illumination and electricity**
- **Structure and materials**
- **Interior air quality**
- **Water supply**
- **Lead-based paint**
- **Access**

- **Site and neighborhood**
- **Sanitary conditions**
- **Smoke detectors**

Terminations

Owner:

During the term of the lease, the owner may not terminate the tenancy except on the following grounds:

- **Serious or repeated violation of the term and condition of the lease**
- **Violation of federal, state, or local law that imposes obligations on tenant in occupancy or use of the premises**
- **Other good cause**
 - **During the first year of the lease term, the owner may not terminate the tenancy for “other good cause”, unless the owner is termination the tenancy because of something the family did or failed to do. The owner must give the tenant a written notice that specifies the grounds for termination or tenancy. The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant. The owner must give MHA a copy of any eviction notice to the tenant. The owner may only evict the tenant from the unit by instituting a court action.**

Some of the reasons for termination may include:

- **Non-payment of rent**
- **Criminal activity**
- **Destruction of property**

Tenant:

The tenant may terminate tenancy in accordance with the lease and tenancy addendum. The family must give the owner and MHA notice of termination of tenancy before moving from the unit. A tenant’s increase in family composition may require the tenant to move to a larger unit if the current unit is considered in non-compliance with subsidy standards. For example, if a tenant that lives in a one (1) bedroom unit receives custody of two (2) minors, the one (1) bedroom unit would not be considered a safe living

environment for the family. MHA would require the family to move, even if a current lease is in effect.

MHA:

When MHA terminates housing assistance to a tenant, the HAP Contract terminates automatically. MHA will always provide the owner with advance written notice of termination of assistance when possible. If a tenant is deceased or moves without notice, MHA may continue to pay rent to the you until MHA is notified. Once MHA is notified that the tenant is not physically occupying the unit, MHA will stop payments and collect any overpaid amounts from the landlord. Any overpayment received by the landlord should be returned to MHA immediately (within 30 days). MHA must not pay rent for an unoccupied unit. Rental assistance can be terminated if a family fails to fulfill its obligations under the program.

Frequently Asked Questions

Q. How do I get started being a landlord?

A. You are off to a great start. Attending a landlord meeting is the first step to becoming a participating MHA landlord. After attending the meeting, you should supply the MHA staff member leading the meeting with proof of ownership, photo identification, W-9. You will then be requested to complete a Landlord Certification, Fraud Form, Direct Deposit Form (optional). Once all documents are received by MHA, complete and return a property listing form at 100 S. Arch St. Little Rock, AR 72211. Your property will be listed for tenants to see. Interested tenants will contact you using the contact information provided on the property listing form.

Q. How much can I rent my unit for?

A. MHA payment standards are generally a gauge of the current rental market. Each unit is evaluated on a case-by-case basis using a third party rent reasonableness computerized system. The system compares your unit to other similar units.

Q. Does the family pay for utilities?

A. The responsibility of each utility is decided by you on the Request for Tenancy, Rent Reasonableness Survey, and lease that is completed prior to initial lease up.

Q. Can I use my own lease?

A. Yes. However, your lease must comply with MHA requirements. See Leasing the Property above.

Q. Can I rent to a family member?

A. No, unless MHA provides approval. Approval is only given for a reasonable accommodation to a disabled tenant(s). Verification of disability and the need for the accommodation will be requested by MHA.

Q. When can I expect my first check?

A. The first business day of the month following the return of the HAP Contract to MHA by you.

Q. How do I increase my rent?

A. By submitting a rental increase request to MHA at least 60 days prior to the tenant's anniversary date. The anniversary date is the first day of the month of the month in which the tenant moved in the unit. For example, a tenant that moved in on October 31 would have an anniversary date of October 1st .

Q. Can I cancel the MHA contract if I'm not satisfied?

A. No, not until the lease term is expired. A notice must be given to MHA and the tenant prior to nonparticipation.

Q. Can I accept money from the tenant in excess of the tenant's rent portion for any reason other than damages or late fees?

A. No. Accepting "side" money from a tenant is a violation of the HCV Program. This is cause for tenant and landlord termination from the program.

Q. Can the lease term begin before the passed inspection?

A. No. The lease term must begin the later of the day after the passed inspection or the tenant move-in date. If the tenant occupies the unit prior to the day after the passed inspection, the tenant is responsible for the rent for that period and a new lease must be executed for housing requirements.

Q. What is required in the lease?

A. The lease must include the following:

- **Name of owner and tenant**
- **Unit address, including unit number if applicable**
- **Monthly rent amount (ensure that the amount agrees with the approved RFTA)**
- **Individual utility and appliance responsibility (must agree with the RFTA and survey completed before the inspection)**

- **Attached tenancy addendum (the addendum must be attached to the lease when you provide the lease to the tenant and MHA). The tenancy addendum is a HUD-required addendum that must be incorporated into the lease or attached to it when executed with the tenant and provided to MHA.**
- **List of all members occupying the unit**
- **State that criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises that threatens the health, safety or right to peaceful enjoyment of their residences by other residents or persons residing in the immediate vicinity of the premises is grounds to terminate tenancy.**

Q. Will MHA pay for damages to the unit?

A. No. Any damages to your unit by the tenant must be collected from the tenant.

Important Points to Remember as a HCV Landlord

1. What to Expect at Lease-up

- A. Tenant should provide the owner with a Voucher, Request for Tenancy (RFT), Lead Based Paint Form, and a Rent Comparability Survey.
- B. The owner should **completely** and **accurately** fill out the RFTA, Rent Comparability Survey, and the Lead Based Paint Form (if the unit was built before 1978) and return to the tenant with a proposed lease (not signed by either party).

IMPORTANT: The **lease start date per the lease must be the latter of the day after the unit passed inspection or when the tenant moves in the unit.** The initial lease term must be for at least 12 months. The lease must include the HUD-52641A addendum (attached to or part of the lease). The tenant and owner signatures should be dated the day of the lease start date or before. The responsibility of utilities should be stated in the lease. The lease should list all occupants.

- C. The tenant provides Metropolitan Housing Alliance (MHA) with the completed documents and the proposed lease.
- D. MHA reviews the documents and performs a rent reasonableness test and a calculation of rent form for the unit chosen.
- E. Upon approval, MHA contacts the owner to schedule an appointment for a MHA inspection. MHA then notifies the tenant of their rent portion via phone, email, or letter.
- F. Upon a passed inspection, MHA sends the owner a request for a copy of an executed lease. Upon receiving an executed lease meeting all of the requirements stated above, MHA composes a Housing Assistance Payment Contract (HAP Contract). The HAP Contract is a written contract between MHA and the owner. The owner should review the contract and sign within 60 days from lease start date.

ATTENTION: No HAP payments will be made before the HAP Contract is signed by the owner.

- G. Upon MHA receiving the signed HAP Contract and executed lease, HAP payments will start beginning the first day of the next month. The first HAP payment will include any past rent per the restrictions stated above and the current month.

2. Understanding Rent Change Notices

- A. **Total Contract Rent.** The total contract rent amount is the rent that the owner charges for a unit.
- B. **Total Resident Rent.** The total resident rent amount is the amount that the family will be obligated to pay monthly to the owner.
- C. **Housing Assistance Payment.** The housing assistance payment is the amount that MHA is obligated to pay monthly to the owner.
- D. **Utility Reimbursement Payment.** The utility reimbursement payment is the amount that MHA is obligated to pay monthly to the tenant.
- E. **Effective Date.** The effective date is the date that the changes go into effect. A 30 day notice from MHA to the owner and tenant is required for decreases in HAP payments. A 30 day notice is not required if a delay in processing is caused by the owner or tenant.

3. Rules to Know

- A. HAP payments are not paid on a unit if the tenant does not live in the unit. There are no exceptions to this rule. If the person moves without notice, HAP payments stop at the end of the move-out month. If the person is deceased, HAP payment does not continue after the deceased date.
- B. If an inspection fails, the owner is given a reasonable time frame (24 hours for emergency maintenance; 30 days non emergency maintenance) to fix the problems found. If the maintenance issue is not completed within the time frame given, the unit is abated. A tenant may move from the abated unit if the tenant requests. An owner with an abated unit does not receive HAP payments for the abatement period. These payments will not be paid after the unit is out of abatement. If the maintenance issue continues to not be corrected, MHA reserves the right to cancel the HAP Contract.
- C. The charge of utilities, reoccurring fees (pet fee), etc must be included in the contract rent amount requested for MHA approval. "Side" payments are NOT allowed between tenant and landlord.
- D. MHA does not pay for tenant damages.
- E. The tenant is NOT responsible for MHA's portion of rent for any reason.
- F. Units with unvented fuel burning space heaters, floor furnace and all wall mounted heating systems are in violation of HQS and will not pass a MHA inspection.