

Peoria Housing Authority

Moving Families Forward

Housing Choice Voucher Landlord Packet

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Peoria Housing Authority
100 S. Richard Pryor Place
Peoria, IL 61605
P: 309-676-8736
W: peoriahousing.org



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Peoria Housing Authority

Moving Families Forward

LANDLORD INFORMATION - SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

What is Section 8? A program federally funded by the Department of Housing and Urban Development to assist lower income households with monthly rent on units owned through private landlords. Assisted amounts are calculated based on the tenant's income and the total unit rent determined by the owner. The tenant will pay the landlord directly for their income-based rent share. The Housing Authority (HA) will send their portion directly to the owner via check or direct deposit on the first of each month.

How do I become a Section 8 landlord? Units are not pre-approved. Owners participate by leasing a unit to a household in possession of a Section 8 Voucher issued by the Housing Authority (HA). Voucher holders are provided 60 days to locate a unit they want to rent. You may wish to publicly advertise or ask to be placed on the HA referral list that is provided to voucher holders. You may encourage current income eligible tenants to apply. However, funds are limited and they will need to wait their turn on a voucher waiting list and be subject to random lottery drawings when funds are available as result of program turnover.

What are the benefits of participation in Section 8? Timely rent payments are guaranteed for a portion of the monthly rent. The program is not intended to relieve other landlord responsibilities such as screening for tenant suitability, unit maintenance or lease enforcement. As a responsible owner you maintain all rights and responsibilities in those areas. The Housing Authority makes monthly payments directly to you based on the tenant's income, circumstances and reasonable total unit rent, the tenant is responsible for the balance. Voucher tenants may be more reliable than non-assisted tenants because they are subject to loss of eligibility for program participation if it is determined that there are continued violations or their tenancy results in eviction. Your tenant's rent remains affordable to them despite financial hardships which may occur in the future such as a loss of employment. Verified reduced income typically results in the HA paying more assistance on their behalf.

How do I know a tenant has a current voucher? The tenant will have attended a program briefing and received a paperwork packet containing key documents that you and the tenant will sign and return to the Housing Authority. Please note, we have determined only tenant income eligibility. We make no guarantee of tenant suitability. You are encouraged to check references prior to signing participation documents.

What is the unit approval process? Units may not be pre-approved nor pre-inspected because of funding and timing restrictions. The HA approval process will begin after you have completed the tenant screening process and reviewed unit conditions to make sure they will meet standards (as listed in this brochure) for a required unit inspection. You should review required documents. If you agree with the owner obligations, required documents listed below should be executed and returned to the HA office. Before scheduling an inspection, the HA will determine that:

- The unit is within the county of jurisdiction of the voucher (Peoria County),
- The family share of the rent will not exceed 40% of their monthly adjusted income (a key factor being the greater the rent, the greater the tenant portion)
- The owner is not related to any member of the family and has not been prohibited from participation
- All required documents (Request for PHA Approval of Tenancy, unsigned copy of the lease (owner provided, if using own format), lease addendum (HA provided), Lead Paint Certification (HA provided) and Owner Certification (HA provided) have been properly executed and submitted prior to the tenant's voucher expiration date (within 60 days of issue or extensions approved in writing by the HA).

If all factors are met, the inspection will be scheduled promptly. **The unit must be COMPLETELY ready for inspection, all utilities must be in service and the unit must be vacant** unless already occupied by the voucher holder. PLEASE DO NOT WASTE VALUABLE FEDERAL TAX DOLLAR MONIES BY SCHEDULING INSPECTIONS PRIOR TO READINESS.

We do not have program resources to conduct pre-inspections. Units not ready will NOT be reviewed and must be denied. This will delay assistance and cost the voucher holder valuable time. We may not begin assistance until the unit passes 100% of requirements. Following a passed inspection, there will be a final determination made on reasonable rent using a review of unit conditions and amenities at the time of inspection. If the rent is determined reasonable, the landlord will receive final contract paperwork and the tenant will be sent information on rent calculations and will be encouraged to contact the landlord to sign the lease addendum. The start date of rent assistance will be the date of the later of move-in or the date unit is certified as fully HQS compliant. Payments may not be released until all correctly executed documents are returned.

Rent specified in the lease will be paid in portions determined by the tenant's income and the amount of rent being charged. If household circumstances change, portions may also change. Any changes in portions (for example, if the tenant reports income changes) throughout the term of the lease will be confirmed via written notification to the tenant and landlord by the HA. The landlord may not change total unit rent amounts outside the terms of the contract and must notify the HA timely in advance in writing of requested changes.

Additional program requirements:

The security deposit is the tenant's responsibility. The HA does not have funding for deposits. Owners are encouraged to carefully screen and set a security deposit amount based on tenant suitability.

Enforcement of the lease and management of the property are a landlord function. If you contact us regarding lease violations we have limited enforcement rights as we are not a party or signatory of the lease. The tenant is responsible for maintaining utilities and appliances in accordance with the lease and is responsible for damages to the unit. If there is a violation of this tenant obligation, the landlord is encouraged to contact the HA office. The tenant will be subject to loss of assistance unless requirements are met. Lease terminations resulting from good cause do not require the HA's consent, but the HA must be informed with a copy of the action. A Section 8 tenant who is evicted for good cause will be terminated from the Section 8 program.

A minimum twelve month contract shall apply initially between the HA and the owner. The owner will be notified when the anniversary date is approaching. If the owner wants changes to the lease at that time, they must be promptly requested in writing in advance.

A vacated unit, unless confirmed in advance by the HA, should prompt notification to the HA by the owner. The HA may not make payments for vacated units. Continued participation in the program with a different tenant will be the choice of the landlord. Section 8 is tenant-based, not unit-based, therefore, in order to continue participation, the owner will need to select a new tenant who has a current voucher.

Inspection requirements: Units must be certified to meet all inspection requirements prior to contract execution and for assistance to continue. There are four types of inspections: initial (move-in), biennial (at least once each 24 month period of tenancy), complaint (requested by tenant or landlord) and quality control (conducted by a supervisor for a 5% sample of inspectors work to ensure consistent application of standards). The unit requirements are listed below and are referred to as Housing Quality Standards.

PLEASE REVIEW EACH AND EVERY ITEM. Units must pass 100% of inspection requirements. One deficiency will cause a unit fail and the need for correction and re-inspection prior to start or continuation of assistance.

BUILDING EXTERIOR

- Foundation must be free of defects which indicate a potential for structural collapse and which would allow significant entry of ground water.
- Stairs, railings, and porches must be free of severe structural defects and may not include broken, rotting or missing steps. Handrail required for 4 or more consecutive steps. Secure railing needed for a rise of more than 30 inches.
- Roof must be free of serious buckling or sagging and be free of defects which would result in significant water or air infiltration. If gutter or downspouts are present, they must not allow water into the interior of the structure.
- Chimney should not be seriously leaning or show evidence of significant disintegration (missing bricks, etc). Manufactured homes must be securely anchored by a tie-down device.

UNIT INTERIOR

- All walls, ceilings, and floors must be free of serious defects which present a potential for structural collapse or other safety threat.
- Windows must be free of severe deterioration which would result in the entry of wind or rain and may not contain cutting hazards. Accessible windows must be lockable. Windows which serve as an alternate emergency exit or as ventilation for the bathroom must be openable. Doors that open to the outside must be lockable.
- There must be adequate electricity in each room. The living room and bedrooms must have at least two outlets or one outlet and a permanent light fixture. Other rooms used for living must have a means of illumination.
- The unit must be free of electrical hazards such as broken or frayed wiring, non-insulated wiring, wiring located near or in standing water, loose fixtures, exposed fuse box connections, overloaded circuits, missing switch or outlet covers, or covers that are badly cracked. All electrical junction boxes must be properly covered. Three prong electrical outlets must be properly wired AND grounded.

KITCHEN

- A working appliance which enables the tenant to cook is required.
 - The oven and the range of a stove must work properly (including all burners and knobs) and must be free of a hazardous gas hookup.
 - If the tenant agrees, a microwave oven may be furnished instead of an oven and stove. The microwave must be in working condition.
- A refrigerator must be present and must maintain a temperature low enough to keep food from spoiling over a reasonable period of time.
- There must be a permanently attached kitchen sink with running hot and cold water which is connected to a gas trap and a properly working drain. There should be some type of space available for storage, preparation and serving of food. (Tenant makes final choice).

BATHROOM

- There must be a private toilet for the exclusive use of the household and it must work properly.
- There must be a permanently installed wash basin with hot and cold running water which is connected to a properly working drain and gas trap. There must be a private shower or tub in proper working condition.
- The bathroom must have proper ventilation in the form of an openable window or working vent system. Exhaust vents must be vented to outside, attic, or crawlspace.

BEDROOMS

- Floor space must be at least 64 sq. ft. Ceiling height must be at least 78 inches with at least 50% of ceiling height above ground.
 - Room(s) must have at least one window. If designed to be openable, it must work properly.
- Room must have adequate light, ventilation, heat and must have emergency exit capability.

PAINT REQUIREMENTS

There must be no chipping or peeling paint on the interior or the exterior of the unit. If chipping/peeling paint is noted at the time of the inspection, federal law requires the owner to pay for testing and removal by a CERTIFIED contractor in accordance with the (non-HA related) Renovation and Remodeling Act. This requirement exists for all rental properties regardless of Section 8 participation. The HA strongly recommends correction of paint deficiencies PRIOR to inspection to avoid costly corrections. Bare non-treated surfaces are not allowed.

OTHER REQUIREMENTS

- There must be a working testable smoke detector on each level of the unit including the basement. Smoke detectors are also required in common hallways on each floor of multi-unit buildings. Carbon monoxide detectors must be present in accordance with state and local codes.
- There must be a heating system which provides adequate heat and is free of hazards. Unvented space heaters may not be the primary source of heat in rooms used for living. Adequate heat is a minimum of 70 degrees 3 feet from the floor.
- The unit must have adequate ventilation in the form of an openable window or working cooling equipment.
- The unit must have a hot water heater which is located in an area that does not present a hazard. The hot water heater should work properly, be free of leaks, and must be equipped with a temperature-pressure relief valve and a discharge pipe (not reduced down) six to eight inches from the floor.
- Gas lines must have properly installed shut off valves and must be in black pipe.
- There should be no major plumbing leaks.
- The unit should be connected to a safe water supply and sewer or septic system.
- Unit should have a private access and at least two exits. (An openable window may be considered as a fire exit if the unit is on the first or second floor.)
- The unit must be free from rats or severe infestation by mice or vermin. There must be adequate disposal facilities for refuse.
- Unit should be adequate size for the family. No more than two persons per living/sleeping area allowed. A room will be counted as a bedroom for unit size designation only if it was originally designed as a bedroom unless permanent renovations have been made. Unit size effects reasonable rent determination.
- If the tenant is responsible for payment of utilities, there must be properly installed separate meters.

PLEASE NOTE: Unit conditions should be reviewed and corrections made prior to inspection.

All appliances must be connected and utilities in service for purpose of inspection. For move-ins, units must be vacant at time of inspection for new tenants.

No assistance will be paid until the unit passes inspection and an assistance contract is executed. Payments for time periods prior to the passed inspection will not be made.



HOUSING CHOICE VOUCHER FACTS

WHAT IS THE HOUSING CHOICE VOUCHER PROGRAM?

The housing choice voucher (HCV) program 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). This means that the tenant, landlord and PHA all have obligations and responsibilities under the HCV program. A brief summary of each party's role is below:

HUD: HUD provides funds to allow PHAs to make housing assistance payments on behalf of the HCV tenants. HUD also pays the PHA a fee for the costs of administering the program. HUD monitors PHA administration of the program to ensure program rules are properly followed.

Public Housing Agency: The PHA administers the HCV program locally and provides the HCV tenant with the housing assistance. The PHA must examine the tenant's income, household composition and ensure that their housing unit meets minimum housing quality standards. The PHA enters into a contract with the landlord to provide housing assistance payments on behalf of the family.

Landlord: The role of the landlord in the HCV program is to provide decent, safe, and sanitary housing to a tenant at a reasonable rent. The dwelling unit must pass the program's housing quality standards and be maintained up to those standards as long as the owner receives housing assistance payments. The Landlord enters into a lease agreement with the tenant.

Tenant: When a tenant selects a housing unit, they are expected to comply with the lease and the program requirements, pay their share of rent on time, maintain the unit in good condition and notify the PHA of any changes in income or family composition.

Rent: The PHA determines a payment standard that is between 90% and 110% of the Fair Market Rents regularly published by HUD representing the cost to rent a moderately-priced dwelling unit in the local housing market. The housing voucher tenant must pay 30% of its monthly adjusted gross income for rent and utilities, and if the unit rent is greater than the payment standard, the tenant required to pay the additional amount.

HCV Households

- **8.75 years** is the average household time in the program
- **29.2%** are elderly (older than 62)
- **25.5%** are non-elderly disabled
- **45.5%** are single person
- **Over 75,000 HCVs** are designated for Veteran Affairs Supportive Housing

HCV Unit Type*

- **24.6%** are single family detached
- **11.4%** are semi-detached
- **17.2%** are rowhouse/townhouse
- **33.9%** are low-rise buildings
- **10.3%** are high-rise buildings
- **1.9%** are manufactured homes

**Does not include MTW agency data.*

HCV Unit Location

- **59.1%** are in central cities
- **37.4%** are in suburbs
- **2.9%** are in rural areas

The data in this document is current as of December 2020.

Revised May 2021



HOUSING CHOICE VOUCHER (HCV) MYTH-BUSTING AND BENEFITS FACT SHEET

MYTH-BUSTING FOR HCV LANDLORDS

“ Landlords can't charge HCV participants the same rent as their non-HCV tenants. ”

FALSE- Landlords can charge the full rent no matter who the tenant is. The housing authority must determine that the proposed rent is reasonable and is not higher than units in that area with similar amenities.¹

“ HCV Voucher tenants are problem tenants. ”

FALSE- Actually, HCV tenants are typically long-term tenants, living in a unit for 7-8 years on average. There are no documented statistics showing that HCV participants are any more likely to damage units or not pay rent than are non-HCV tenants. Landlords use their own screening criteria and should screen HCV tenants as they would screen any other tenant to avoid problem tenants.²

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

FALSE- HCV tenants are bound by the terms of their rental agreements and are subject to eviction as is any non-HCV tenant.³

“ If you accept one HCV Program tenant, then all of your units must be rented to HCV Program tenants. ”

FALSE- Renting unit(s) to HCV tenants does not in itself further obligate you to rent to other HCV tenants. For each vacancy, you should follow your established policies for screening prospective tenants.

BENEFITS OF HOUSING CHOICE VOUCHER PROGRAM FOR LANDLORDS

- **You will get timely and dependable payments from the public housing authority (PHA).** Participating, compliant landlords will receive timely and dependable housing assistance payments (HAP) each month once the HAP contract and lease are signed.⁴
- **You will get your full rental payment.** When a HCV tenant's income permanently changes, the portion of rent paid by the PHA and the tenant is adjusted to reflect this change. This provides financial protection to landlords in that if a HCV tenant's income decreases, there is a process for the PHA to pay a larger portion of the rent to the landlord so the landlord continues to receive a full rental payment.⁵
- **You will receive regular inspections.** Some landlords appreciate the routine inspections because they provide an opportunity to check on the condition of the unit. This can result in identifying maintenance needs that may have otherwise gone unnoticed for some time. Landlords that own or manage properties across wide geographies in particular tend to appreciate the value in having a routine, objective inspection of their rental units.
- **You may request annual reasonable rent increases.** Compliant landlords may request a rent increase at the annual anniversary of the HAP contract by written notice to the PHA.⁶
- **You have the opportunity to help low-income elderly, disabled, and veteran households, as well as families with children by providing affordable housing.** More than 50 percent of vouchers serve elderly or non-elderly disabled families. About 45 percent of vouchers assist single-parent families.

Resources

¹ 24 CFR § Part 982.507

² 24 CFR § Part 982.307

³ 24 CFR § Part 982.310

⁴ **HAP: is the monthly assistance payment by a PHA, which is defined in 24 CFR 982.4 to include:**
(1) A payment to the owner for rent to the owner under the family's lease; and
(2) An additional payment to the family if the total assistance payment exceeds the rent to owner. The HAP contract is the housing assistance payments contract between the owner and the PHA (Also see: 24 CFR § Part 982.451)

⁵ 24 CFR § Part 982.505

⁶ 24 CFR § Part 983.302

The PHA's Role in the Housing Choice Voucher Program



U.S. Department
of Housing and
Urban Development

The Housing Choice Voucher program, commonly known as HCV or Section 8, is the Federal government's primary program for assisting low-income families, the elderly, and persons with disabilities to afford rent in the private market.

In the HCV program, the U.S. Department of Housing and Urban Development (HUD) pays rental subsidies so eligible families can afford decent, safe, and sanitary housing. The HCV program is generally administered by state or local governmental entities called public housing agencies (PHAs). HUD provides housing assistance funds to PHAs to distribute on behalf of families. HUD also provides funds for PHA administration of the program.

PHAs are State-Created Entities

Each state's law governs how PHAs are formed. There may be state, county, or city PHAs that are authorized to administer the program. PHAs are not federal agencies, although HUD has regulatory oversight over many of the programs PHAs administer. Under program regulations, PHAs have discretion to run their programs in ways that best support their local communities. As each community has its own unique needs and issues, PHAs in different areas will operate the HCV program in different ways.



PHAs Serve their Communities

PHAs run their programs to best serve the needs of their individual communities. Examples of how one PHA's HCV program may differ from another PHA's program include:



PHAs have discretion in **setting payment standards.** Payment standards determine the maximum amount of rental assistance a PHA may pay to a landlord on behalf of an assisted tenant. Two PHAs serving the same area may have vouchers operating under different payment standards.



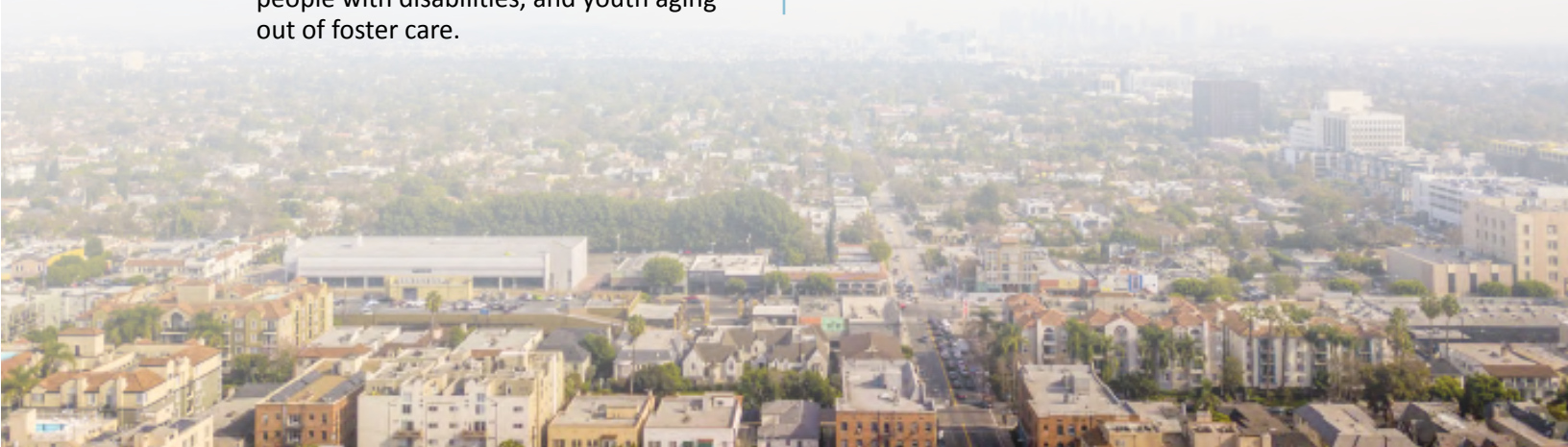
PHAs are allowed to determine how to **prioritize which families receive vouchers among all applicants** for the program depending on the local housing needs. For example, some PHAs may have adopted a preference for people experiencing homelessness, while other PHAs may have adopted a preference for working families.



PHAs may **offer distinct or special purpose vouchers that are specifically designed to help serve different high-need groups** of people in their community. Some examples of high-need groups include veterans experiencing homelessness, non-elderly people with disabilities, and youth aging out of foster care.



PHAs **follow different inspection schedules** for their HCV units. For example, some PHAs may conduct inspections annually, while other PHAs may conduct them biennially, or even every three years in some rural areas.



PHAs perform a variety of tasks in administering the HCV program.



Helping Families Join the HCV Program

PHAs help families join the HCV program by maintaining waiting lists, processing applications, determining eligibility, issuing vouchers, providing search assistance, approving units, and executing contracts with landlords.



Providing Rental Assistance Payments to Landlords

PHAs provide a portion of the voucher family's rent to the landlord. Typically—though not in every instance—**families pay 30% of their monthly income towards rent**, while the PHA covers the remaining portion of the rent through a Housing Assistance Payment (HAP). PHAs will adjust the family's portion of the rent, as well as the payment to the landlord, if the voucher family experiences a change of income.



Helping Families Stay and Leave the HCV Program

PHAs help families retain assistance through the HCV program by verifying their income at regular intervals and when requested by the family. They also **assist the family in ensuring they still meet program requirements** during a move. PHAs may help families leave the HCV program by administering a Family Self-Sufficiency program, which helps HUD-assisted families increase their earned income so they can afford to leave the program. Some PHAs may refer families to other social service organizations to address specific challenges or needs.



Conducting Physical Inspections

PHAs **help ensure that units are decent, safe, and sanitary** by conducting inspections. Activities related to inspections include scheduling, notifying, and preparing for inspections; conducting inspections; and enforcing inspection standards. Inspectors are looking at key aspects of housing quality, including, but not limited to, sanitary facilities, illumination and electricity, lead-based paint, smoke detectors, and interior air quality.



Providing Landlord Supportive Services

In some instances, PHAs may provide certain supportive services to landlords. These activities may include **aiding in advertising rental units; providing incentive or bonus payments to landlords; or connecting landlords with potential tenants.**

For more resources, please visit the following webpage: www.hud.gov

Search for:

landlords



Landlord participation in the HCV program is free, and landlords do not pay to maintain compliance with the program, though in limited instances PHAs may charge for re-inspections after inspection violations have been found.

**Thank you for considering
becoming an HCV Landlord!**

**We look forward to
partnering with you!**

For More Information
Please Visit:

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/landlord

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