Raleigh Housing Authority (RHA)

Leased Housing/Section 8 Department
Owners’ Briefing
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>HUD</td>
<td>Dept of Housing and Urban Development</td>
</tr>
<tr>
<td>RHA</td>
<td>Raleigh Housing Authority</td>
</tr>
<tr>
<td>Tenant</td>
<td>Voucher Holder</td>
</tr>
<tr>
<td>HAP</td>
<td>Housing Assistance Payment to landlord</td>
</tr>
<tr>
<td>RFTA</td>
<td>Request for Tenancy Approval</td>
</tr>
<tr>
<td>Packet</td>
<td>Documents given to the tenant for landlord and tenant completion and tenant submission to RHA</td>
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<tr>
<td>HQS</td>
<td>Housing Quality Standards</td>
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Leased Housing Overview

- Currently, the Leased Housing/Section 8 Department:
  - Has 21 staff members, including leadership
  - Services 3869 program participants and approximately 1000 program landlords/owners/property managers
  - Has a waiting list of approximately 8000 applicants
  - Re-certifies approximately 300 voucher holders per month
  - Processes approximately 50 moves and 50 port ins and outs per month
  - Receives more than 30 calls per day per employee
  - Conducts approximately 700 inspections per month
  - Receives more than 30 emails per day per employee
Mission Statement

To provide rental subsidy for safe, quality, affordable housing to low and moderate-income families in the Greater Raleigh community, who meet HUD qualifications and requirements; and to promote personal responsibility and self-sufficiency of residents while maintaining the fiscal integrity of the Agency.
Leased Housing Department Leadership Team

PRISCILLA BATTS
Director, Leased Housing

MARIA BARBER
Assistant Director, Leased Housing / Operations

TINA TOWNES
Administrative Asst. to Director

WILL HINTON
Housing Manager

BENITA WILSON
Inspections Manager/Landlord Liaison
<table>
<thead>
<tr>
<th>Operations Division</th>
<th>Housing Division</th>
<th>Inspections Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Application Intake</td>
<td>• Client Specialists</td>
<td>• Front Desk Mgmt</td>
</tr>
<tr>
<td>• Voucher Issuance</td>
<td>• Tenant File Mgmt</td>
<td>• Housing Inspectors</td>
</tr>
<tr>
<td>• HAP Contract Processing</td>
<td>• Tenant Relocations</td>
<td>• Landlord Liaison</td>
</tr>
<tr>
<td>Total Staff (3)</td>
<td>• Tenant Ports</td>
<td>• Rent Reasonable Database</td>
</tr>
<tr>
<td></td>
<td>• Tenant Debt Recovery</td>
<td>• Rental Increases</td>
</tr>
<tr>
<td></td>
<td>Total Staff (10)</td>
<td>• Landlord Debt Recovery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• PHA Debt Recovery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Staff (6)</td>
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Being a Section 8 Landlord

#1 – Is a choice

#2 – Is a business transaction

#3 – Will take time and money

#4 – Is guaranteed monthly rent*

(*when all Housing Assistance Payment (HAP) contract criteria are met by Tenant and Landlord)
How do I get started?

1 – Advertise your unit stating that you accept Section 8/HCV participants.

2 – Prospective tenants contact you with a relocation packet

Packet colors –

1) Pink – PMCS, 2) Green – Special Moves, 3) Gold – Ports, 4) Blue – New Voucher
What’s Next?

3 - Tenant completes your application process and views the unit to be rented

4 - Owner and tenant agree to enter a tentative agreement and complete the tenant’s packet

5 - Tenant pays the security deposit (refundable?)

6 - Tenant returns the packet to RHA

7 - Packet goes to staff to calculate tenant’s ability to afford the rent requested for your unit
Approval of New Landlord

Prospective Owner completes and supplies RHA with the following:
- an Owner’s Application,
- Proof of Ownership,
- W-9,
- Direct Deposit form w/voided check or official bank documentation with name, address, routing and account number.

If the unit will be managed by someone other than the Owner, RHA will also need –
- a Management Company Application – a copy of the Management Agreement –
- an Assignment of Contract Form for each tenant – W-9 for Management Company – Direct Deposit Form, with required documentation if the HAP payment is to be released to the Management Company.

All requested forms are located on the RHA website at www.rhaonline.com.

Housing Choice Voucher

A background check is run to determine the Landlord’s eligibility to receive federal funds.
Scheduling Initial Inspections

- If the rent calculation determines the rent to be affordable, the landlord and tenant are sent an Estimate letter containing the estimated rent portions to be paid by the tenant and RHA.
- Receipt of the Estimate letter is an indication that the paperwork has been forwarded to Inspections.
- The first inspection will be scheduled as soon as possible depending on inspector availability, so make sure that the unit is ready and utilities are turned on.
- Inspection notifications are emailed only to the landlord.
- The landlord or their representative over age 18, with valid ID, should be present for the inspection. The tenant is not the landlord representative.
- If the unit passes the physical inspection and the rent is determined to be reasonable, the paperwork is forwarded to the HAP Contract Processing Team to finalize.
- There is an approximate 7 to 8 weeks period BEFORE the HAP contract is received. HAP payment will not be released before RHA receives a signed HAP contract.
Did You Know?

All utilities (electric, gas, water) must be on in the unit at the time of the scheduled inspection. Tenants should not have utilities on in their name at the unit until after the unit has passed inspection, unless they are currently living in the unit.

The unit scheduled for inspection must be empty or occupied by the tenant for whom the inspection is being performed. Landlord can not be living in the unit or have personal property in the unit at the time of the scheduled inspection or afterwards.

All necessary repairs should be completed prior to the first scheduled inspection date. Inspectors are not required to wait for repairs to be completed on the day of the scheduled inspection, no matter how small the repair. For guidance on what will be inspected visit our website at [www.rhaonline.com](http://www.rhaonline.com), Housing Choice Voucher, Inspections Information, HUD HQS Inspection Checklist and Supplemental Landlord Checklist.

For Initial/Move-in inspections, the inspector will go to apartment complex offices to notify staff that they are on the property. The apartment complex staff must open the unit door. The inspectors are not required to wait longer than five (5) minutes for staff to arrive at the unit.

Units with a mixture of two and three prong outlets require an electrician to complete an Electrical Certification form to confirm that the unit is safe, if an outlet shows a fault when tested.
More Things To Know

Both the interior and exterior portions of the unit are included in the inspection. This includes the yard and any buildings located on the property.

The failure of one item in or on the property will fail the entire unit.

Double keyed dead bolt locks on exterior doors are not allowed; the locking mechanism to the inside of the house must have a thumb bolt. (BOCA National Fire Prevention Code § Section F-608.0 - Egress Doors F-608-1, F-608.2)

Recently passed Senate Bill 1924 requires a minimum of one operable carbon monoxide detector per rental unit per level in unit where fossil fuel is used for heating and/or the operation of any appliance. Both the tenant and LL will be deemed responsible for inoperable carbon monoxide detectors due to dead or missing batteries.

Inspectors do not enter attics or crawl spaces, so if the water heater is in either place, or if it is located behind a locked door, you will need to complete and submit a Water Heater Certification on or before the inspection date for that item to pass.

If there is a pond, creek or large drainage ditch on your property or if the property is bordered by either, a fence should be installed to avoid possible drowning situations.
Even More Things To Know

Swimming pools and Jacuzzi hot tubs are prohibited.

All interior and exterior debris, including tree branches and old appliances, should be removed prior to the first scheduled inspection.

All pets must be confined during the inspection or the inspector may refuse to complete the inspection with penalty to the TNT and LL.

Units built before 1978, can fail inspection with the potential of lead based paint. If so, a risk assessment is required at the owner’s cost.

Once a unit passes inspection, a Passed Inspection letter will be emailed to the landlord with instruction of what needs to be submitted and when the tenant should move into the unit. The LL should submit all requested documentation to the HAP Contract Processing Team as quickly as possible to avoid delays in the processing of HAP payments.

Verbal and/or nonverbal threats communicated to any member of the Leased Housing staff by the TNT or LL will not be tolerated and could result in the loss of opportunity to participate in the Section 8 program.
Rescheduling Initial Inspections

• If the unit does not pass the first scheduled inspection for any reason, it will be rescheduled after thirty (30) days unless the landlord notifies RHA that the unit is no longer available for rent, or makes a written request for an earlier inspection after receipt of the rescheduled inspection letter.

• The rescheduled inspection notice and a copy of the inspection report will be emailed only to the landlord.

• If inspection result is FAIL and the rent reasonable calculation determines that the HAP contract is above the Maximum Rent Reasonable, the landlord will be emailed a letter requesting the HAP contract rent be lowered.

• The requested lower amount becomes the full amount of rent that RHA can pay as rent on the unit.

• The landlord must respond to the letter per the instructions in order for the process to proceed.
Rescheduling Initial Inspections – cont’d

• If the landlord agrees to lower the rent, the tenant CANNOT be requested to pay more than the amount that RHA has approved them to pay.
• Requesting the tenant to pay more is a program violation and grounds for termination of the landlord and the tenant from participation in the Section 8 program.
• If the second inspection passes, the paperwork is forwarded to the HAP Contract Processing Team to finalize.
• If the second inspection does not pass, the landlord is emailed a “Not Recommended” letter containing instructions on how to pay for an Optional Third Inspection, if so elected.
• Information on the Optional Resident Retention Services available to landlords is located on our website at www.rhaonline.com, News and Updates.
RHA Cost Saving Measures

- Rental increase approval amounts cannot exceed Maximum Rent Reasonable and will depend on HUD funding.
- RHA will request the HAP Contract Rent be lowered to the Maximum Rent Reasonable for upcoming HAP contract term.
- The Owner may pay for a preliminary inspection of the unit ($165).
  - RHA will provide a “punch list” of items to be corrected before the first scheduled inspection.
  - Conducted after notification of first annual or initial inspection and before the first scheduled inspection date.
Additional RHA Cost-Savings

- Owners may pay for a third inspection and additional inspection ($295 each)
  - To allow the unit to remain on the Section 8 program and to prevent the tenant from having to relocate
### 2016 Fair Market Rent

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>FMR</th>
<th>Contract Rent</th>
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<tbody>
<tr>
<td>0</td>
<td>$644</td>
<td>$533</td>
</tr>
<tr>
<td>1</td>
<td>$818</td>
<td>$678</td>
</tr>
<tr>
<td>2</td>
<td>$947</td>
<td>$768</td>
</tr>
<tr>
<td>3</td>
<td>$1,228</td>
<td>$1,028</td>
</tr>
<tr>
<td>4</td>
<td>$1,513</td>
<td>$1,271</td>
</tr>
<tr>
<td>5</td>
<td>$1,740</td>
<td>$1,476</td>
</tr>
<tr>
<td>6</td>
<td>$1,967</td>
<td>$1,624</td>
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Note: The contract Rent requested by the owner equals the FMR minus an estimated utility allowances that the HA is required to give each family. The utility allowance is included in the rent calculation.
Rent Reasonableness

The PHA must determine whether the rent to the owner is reasonable rent in comparison to rent for other comparable unassisted units.

The PHA may also re-determine the reasonable rent at any time.

Data is gathered from newspapers, realtors, professional associations, owner inquiries, market surveys, visiting the site, the Internet, and other available sources.

The data gathered is compiled in a Rent Reasonableness database and is updated every other month to reflect changes in the market.
Selecting Unassisted Units

The units are selected by RHA’s Rent Reasonableness Database based on the availability of similar unit in the ZIP codes chosen from a pre-determined Zip code guide.

The Rent Reasonableness Database will identify the units to be used for the rent reasonableness assessment and units selected for comparison are fully automated and cannot be contested.

RHA will only use the data pulled from its rent reasonable database to assess whether the rent is reasonable or not. Data in the Rent Reasonableness database is no older than one year.
### HUD Factors for Rent Reasonableness

<table>
<thead>
<tr>
<th>Location,</th>
<th>Housing Services,</th>
</tr>
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<tbody>
<tr>
<td>Size,</td>
<td>Maintenance, and</td>
</tr>
<tr>
<td>Housing Type,</td>
<td>Utilities provided by the</td>
</tr>
<tr>
<td>Quality,</td>
<td>owner under the lease.</td>
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<tr>
<td>Age of the Unit,</td>
<td></td>
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<tr>
<td>Amenities (adds value vs.</td>
<td></td>
</tr>
<tr>
<td>nice to have),</td>
<td></td>
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Points are assigned to each HUD rating factor.
Request to Lower HAP Contract Rent

When an inspection is completed, the Housing Inspector enters the information on the factors identified above and the Rent Comparability Database calculates the total points assigned to the proposed assisted unit.

The Rent Reasonableness Database locates no less than 3 and no more than 15 unassisted units with total points within the comparable range. When this action is completed a Rent Reasonableness Certification form is completed.

If the Current Rent (CR) exceeds the Maximum Reasonable Rent (MRR) the landlord/owner will be notified with a request to reduce the HAP contract rent. If the landlord does not agree to lower the rent, **no further inspections will be conducted.** For **annual inspections**, if the unit did not pass the first inspection no HAP payments will be released after the abatement date. The tenant will be processed to relocate in order to keep their assistance.