

Chapter 8

LEASING AND INSPECTIONS

[24 CFR 5, Subpart G; 24 CFR 966, Subpart A]

INTRODUCTION

It is the NBHA's policy that all units must be occupied pursuant to a dwelling lease agreement that complies with HUD's regulations (24 CFR Part 966). This chapter describes pre-leasing activities and the NBHA's policies pertaining to lease execution, security, other charges, and additions to the Lease.

HUD rules also require the NBHA to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the NBHA may require additional inspections in accordance with NBHA policy.

8-I.A. LEASE REQUIREMENTS

The initial term of the lease will be for a period of 12 months. The lease will be renewed automatically for another 12-month term, except for noncompliance with the community service requirements, as described in the chapter on community services. [24 CFR 966.4(a)(2)].

Provision for Modification

Changes to the Lease, other than changes in resident's rent amount, (shall be written by addendum to, this Admissions and Continued Occupancy Policy (ACOP), Schedule of Fees and Charges, Schedule of Utility Allowances, Grievance Procedure, etc.) are all incorporated into the lease by reference and may be changed from time-to-time by the NBHA. The resident shall be given at least thirty (30) days written notice setting forth the proposed changes, the reasons for them, and providing the resident with an opportunity to make written comments.

Ability to Comply with Lease Terms

If during the term of the lease, the resident, due to a physical or mental disability covered by the Americans with Disabilities Act (ADA), is no longer able to comply with the provisions of the lease and cannot make arrangements for someone to aid him/her in complying with the lease, and the NBHA cannot make reasonable accommodations that would enable the resident to comply with the lease, then the lease will terminate.

8-I.B. LEASE ORIENTATION

After unit acceptance but prior to occupancy, a NBHA representative will provide a lease orientation to the family head and spouse or co-head. The head of household or spouse is required to attend. The family must attend an orientation before taking occupancy of the unit.

Orientation Agenda

When families attend the lease orientation, they will be provided with:

- *A copy of “Is Fraud Worth It”? (form HUD1141-OIG), which explains the types of action a family must avoid and the penalties for program abuse.*
- A copy of the lease
- A copy of the house rules
- A copy of the pamphlet *Protect Your Family From Lead in Your Home*
- A copy of *Things You Should Know* (HUD-1140-OIG)
- *A copy of What You Should Know about EIV, a guide.*
- *Parking Policy*
- *Pet Policy*

Topics to be discussed will include, but not limited to:

- **A copy of the NBHA’s grievance procedure**
- **Applicable deposits and other charges**
- **Review and explanation of lease provisions**
- **Unit maintenance and work orders**
- **A copy of the NBHA’s schedule of maintenance charges**
- **Explanation of occupancy forms**
- **Community service requirements**
- **Family choice of rent**
- **Term of Occupancy**
- **Orientation to the community**

8-I.C. EXECUTION OF LEASE

The lease shall be executed by the head of household, co-head, spouse and all other adult members of the household *will be required to sign the public housing lease prior to admission. An appointment will be scheduled for the parties to execute the lease. The Head of Household will be provided a copy of the executed lease and the NBHA will retain a copy in the resident’s file.* [24 CFR 966.4(a)(3)].

The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

The lease must state the composition of the household as approved by the NBHA (family members and any NBHA-approved live-in aide) [24 CFR 966.4(a)(1)(v)]. See Section 8-I.D. for policies regarding changes in family composition during the lease term.

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to NBHA assistance. The live-in aide is only approved to live in the unit while serving as the attendant for the participant family member.

The following provisions govern lease execution and amendments:

- A lease is executed at the time of admission for all new residents
- A new lease is executed at the time of transfer of a resident from one NBHA unit to another
- If, for any reason, any signer of the lease ceases to be a member of the household, a new lease will be executed
- Lease signers must be persons legally eligible to execute contracts
- The names and date of birth of all household members are listed on the household member sheet at initial occupancy and at each subsequent recertification. Only those persons listed on the most recent certification shall be permitted to occupy a dwelling unit
- Changes to Resident rents are made upon the preparation and execution of a Notice of rent Adjustment by the NBHA, which becomes an attachment to the Lease. Documentation will be included in the resident file to support proper notice
- Households that include a live-in aide will contain file documentation that the live-in aide is not party to the lease and is not entitled to NBHA assistance, with the exception of occupancy while serving as the attendant for the participant family member.

8-I.D. MODIFICATIONS TO THE LEASE

The lease may be modified at any time by written agreement of the tenant and the NBHA [24 CFR 966.4(a)(3)].

Modifications to the Lease Form

The NBHA may modify its lease from time to time. However, the NBHA shall give residents at least 30 days advance notice of the proposed changes and an opportunity to comment on the changes. The NBHA must also consider any comments before formally adopting the new lease [24 CFR 966.3].

After proposed changes have been incorporated into the lease and approved by the Board, each family must be notified at least 60 days in advance of the effective date of the new lease or lease revision. A resident's refusal to accept permissible and reasonable lease modifications that are

made in accordance with HUD requirements, or are required by HUD, is grounds for termination of tenancy [24 CFR 966.4(1)(2)(iii)(E)].

The family will have 30 days to accept the revised lease. If the family does not accept the offer of the revised lease within that 30 day timeframe, the family's tenancy will be terminated for other good cause in accordance with the policies in Chapter 13.

Schedules of special charges and rules and regulations are subject to modification or revision. Because these schedules are incorporated into the lease by reference, residents and resident organizations must be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and must be given an opportunity to present written comments. The notice must be delivered directly or mailed to each tenant; or posted in at least three conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project. Comments must be taken into consideration before any proposed modifications or revisions become effective [24 CFR 966.5].

After the proposed revisions become effective they must be publicly posted in a conspicuous manner in the project office and must be furnished to applicants and tenants on request [24 CFR 966.5].

When the NBHA proposes to modify or revise schedules of special charges or rules and regulations, the NBHA will post a copy of the notice in the central office, and will mail a copy of the notice to each resident family. Documentation of proper notice will be included in each resident file.

Other Modifications

The lease will be amended to reflect all changes in family composition.

If, for any reason, any member of the household ceases to reside in the unit, the lease will be amended by drawing a line through the person's name. The head of household and PHA will be required to initial and date the change.

If a new household member is approved by the NBHA to reside in the unit, the person's name and birth date will be added to the lease. The head of household and NBHA will be required to initial and date the change. If the new member of the household is an adult, s/he will also be required to sign and date the lease.

Policies governing when and how changes in family composition must be reported are contained in Chapter 9, Reexaminations.

8-I.E. SECURITY DEPOSITS [24 CFR 966.4(b)(5)]

New residents must pay a security deposit. The amount of the security deposit cannot exceed one month's rent or a reasonable fixed amount as determined by the NBHA. The NBHA may allow for incremental payments of the security deposit of the family, not to exceed 3 months. The family must pay a minimum of \$50 in order to enter into a payment plan. However the family may be required to pay the security deposit in full prior to occupancy.

Interest earned on security deposits may be refunded to the tenant in accordance with applicable laws, annually and after vacating the unit.

Residents must pay a security deposit to the NBHA at the time of admission. The amount of the security deposit will be equal to the **family's monthly rent** (TTP) at the time of move-in, and must be paid in full prior to occupancy or paid in installments, not to exceed three months.

The NBHA will hold the security deposit for the period the family occupies the unit. Rent will continue to accrue until the keys have been received or the unit has been determined as abandoned. The NBHA will not use the security deposit for rent or other charges while the resident is living in the unit.

All keys to the unit must be returned to the management offices upon vacating the unit. The resident must leave the dwelling unit in a clean and undamaged condition not exceeding normal wear and tear and must furnish a forwarding address to the NBHA. Within 30 days of receipt of the forwarding address, the NBHA will provide the resident with a written list of any charges against the security deposit. The NBHA will refund to the resident the amount of the security deposit (including interest earned on the security deposit), less any amount needed to pay the cost of unpaid rent, damages listed on the move-out inspection report that exceed normal wear and tear, and other charges due under the lease.

If the resident disagrees with the amount charged, the NBHA will provide a meeting to discuss the charges.

If the resident transfers to another unit, the NBHA will transfer the security deposit to the new unit. The tenant will be billed for any maintenance or other charges due for the "old" unit.

8-I.F. PAYMENTS UNDER THE LEASE

Rent Payments [24 CFR 966.4(b)(1)]

The resident's rent is due and payable at the NBHA-designated location on the first of every month. If the first falls on a weekend or holiday, the rent is due and payable on the first business day thereafter.

If a family's rent changes, the NBHA will notify the family of the new amount and the effective date by sending a "Notice of Rent Adjustment" which will become an attachment to the lease.

Late Fees and Nonpayment [24 CFR 966.4(b)(3)].

If the family fails to pay their rent by the tenth day of the month, and the NBHA has not agreed to accept payment at a later date, a 15 day Notice to Vacate will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises.

In addition, if the resident fails to make payment by the end of office hours on the tenth day of the month, a late fee of \$25.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the NBHA may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of \$25.00 will be charged to the family. The fee will be due and payable 15 days after billing.

Excess Utility Charges [24 CFR 966.4(b)(2)].

When applicable, families will be charged for excess utility usage according to the NBHA’s current posted schedule. Notices of excess utility charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 15 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the NBHA may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of excess utility charges is a violation of the lease and is grounds for eviction.

Maintenance and Damage Charges [24 CFR 966.4(b)(2)].

When applicable, families will be charged for maintenance and/or damages according to the NBHA’s current schedule. Work that is not covered in the schedule will be charged based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 15 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the NBHA may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of maintenance and damage charges is a violation of the lease and is grounds for eviction.

PART II: INSPECTIONS

8-II.A. OVERVIEW

HUD rules require the NBHA to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the NBHA may require additional inspections, in accordance with NBHA Policy.

8-II.B. TYPES OF INSPECTIONS

Move-In Inspections [24 CFR 966.4(i)]

The NBHA and the family will inspect the dwelling unit prior to occupancy in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the NBHA and the resident, must be provided to the tenant and be kept in the resident file.

Any adult family member may attend the initial inspection and sign the inspection form for the head of household.

Initial 30-Day Inspection:

An Initial 30-Day Inspection will be conducted for new move-ins for the purpose of quality control in accordance with the NBHA Plan.

Move-Out Inspections [24 CFR 966.4(i)]

The NBHA must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if he or she wishes, unless the tenant vacates without notice to the NBHA. The NBHA must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

When applicable, the NBHA will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 30 business days of conducting the move-out inspection.

Annual Inspections

The NBHA will inspect all units at least annually using HUD's Uniform Physical Condition Standards (UPCS) [24 CFR 902.43(a)(4)]. All inspections will include a check of all smoke alarms to ensure proper working order.

Quality Control Inspections

The purpose of quality control inspections is to assure that all defects were identified in the original inspection, and that repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame

The quality control inspections will be conducted in accordance with the NBHA's maintenance plan.

REAC Inspections; Quality Control Inspection Conducted by HUD Annually; Residents who are cited by HUD being unprepared, will be assessed a \$50.00 charge.

Special Inspections

NBHA staff may conduct a special inspection for any of the following reasons:

- Housekeeping
- Unit condition
- Suspected lease violation
- Preventive maintenance
- Routine maintenance

There is reasonable cause to believe an emergency exists

Other Inspections

Building exteriors, grounds, common areas and systems will be inspected according to the NBHA's maintenance plan.

8-II.C. NOTICE AND SCHEDULING OF INSPECTIONS

Initial 30-day

An Initial 30-day inspection will be conducted for new move-ins, for the purpose of quality control in accordance with the NBHA Plan.

Non-emergency Entries [24 CFR 966.4(j)(1)]

The NBHA may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing.

The NBHA will notify the resident in writing at least 24 hours prior to any non-emergency inspection.

For regular annual inspections, the family will receive at least 1 weeks written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Verbal Consent is sufficient for the NBHA to enter the unit.

Emergency Entries [24 CFR 966.4(j)(2)]

The NBHA may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the NBHA must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

Scheduling of Inspections

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the NBHA at least 24 hours prior to the scheduled inspection. The NBHA will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The NBHA may request verification of such cause.

Attendance at Inspections

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

Except at move-in inspections, the resident is not required to be present for the inspection. The resident may attend the inspection if he or she wishes.

If no one is at home, the inspector will enter the unit *and* conduct the inspection *of the unit*. *A copy of the inspection report will be provided upon request in writing.*

8-II.D. INSPECTION RESULTS [24 CFR 966.4(e)].

Emergency Repairs [24 CFR 966.4(h)]

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the NBHA of the damage, and the NBHA must make repairs within a reasonable time frame.

If the damage was caused by a household member or guest, the NBHA must charge the family for the reasonable cost of repairs. The NBHA may also take lease enforcement action against the family.

If the NBHA cannot make repairs quickly, the NBHA must offer the family standard alternative accommodations. If the PHA can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

When conditions in the unit are hazardous to life, health, or safety, the NBHA will make repairs or otherwise abate the situation within 24 hours.

Defects hazardous to life, health or safety include, but are not limited to, the following:

- Any condition that jeopardizes the security of the unit
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- Natural or LP gas or fuel oil leaks
- Any electrical problem or condition that could result in shock or fire
- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit
- Utilities not in service, including no running hot water
- Conditions that present the imminent possibility of injury
- Obstacles that prevent safe entrance or exit from the unit
- Absence of a functioning toilet in the unit
- Inoperable smoke detectors

Non-emergency Repairs

The NBHA will correct non-life threatening health and safety defects within 15 business days of the inspection date. If the NBHA is unable to make repairs within that period due to circumstances beyond the NBHA's control (e.g. required parts or services are not available, weather conditions, etc.) the NBHA will notify the family of an estimated date of completion.

The family must allow the NBHA access to the unit to make repairs.

Resident-Caused Damages

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.F., Maintenance and Damage Charges.

Repeated or excessive damages to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

Housekeeping

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the NBHA will provide proper notice of a lease violation.

A reinspection will be conducted to confirm that the resident has complied with the requirement to abate the problem. Failure to abate the problem or allow for a reinspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector. Only one warning will be given. A second incidence will result in lease termination.