

CHAPTER 9

REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

[24 CFR 982.302]

INTRODUCTION:

The NBHA's program operations are designed to utilize available resources in a manner that is efficient and provides eligible families with timely assistance based on the number of units that have been budgeted. The NBHA's objective include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

After families are issued a voucher, they may search for a unit anywhere within the jurisdiction of the NBHA, or outside of the NBHA's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments Contract with the NBHA. This chapter defines the types of eligible housing, the NBHA's policies that pertain to initial inspections, lease requirements, owner disapproval, and the processing of Requests for Tenancy Approval (RFTA).

A. **REQUEST FOR TENANCY APPROVAL:** [24 CFR 982.302, 982.305(B)]

The Request for Tenancy Approval (RFTA) and a copy of the proposed lease, including the HUD prescribed tenancy addendum, must be submitted by the family, before the contract may be executed. The family must submit the RFTA in the form and manner required by the NBHA.

The RFTA must be signed by both the owner and voucher holder.

The NBHA will not permit the family to submit more than one RFTA at a time.

The NBHA will review the proposed lease and the Request for Tenancy Approval documents to determine whether or not they are approvable. The request will be approved if:

- The unit is an eligible type of housing
- The rent is reasonable
- The proposed lease complies with HUD and NBHA requirements (See "Lease Review" section of this Chapter).
- The owner is approved, and there are no conflicts of interest (See "Owner Disapproval", Chapter of this Administrative Plan).

In addition to the above, at the time a family initially receives assistance in a unit (new admissions and moves), if the gross rent for the unit exceeds the applicable payment standard for the family, the family share (defined in glossary) may not exceed forty percent (40%) of the families monthly adjusted income (See "Owner Rents, Rent Reasonableness and Payment Standards", Chapter of this Administrative Plan).

The RFTA must be submitted by the 15th of the month prior to the month requested for lease-up on the RFTA to ensure that the unit:

- Passes inspection in a timely manner
- Contracts are processed before the first of the month
- Landlord and participant have submitted a signed lease

Disapproval of RFTA:

If the NBHA determines that the request cannot be approved for any reason, the landlord and the family will be notified in writing. When, for any reason, a RFTA is not approved, the NBHA will furnish another RFTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing. During this process the tenant's voucher may accrue tolling time.

B. ELIGIBLE TYPES OF HOUSING: [24 CFR 982.353]

The NBHA will approve any of the following types of housing:

- All structure types can be utilized.
- Single room occupancy.
- Units owned (but not subsidized) by the NBHA (following HUD-prescribed requirements).

C. LEASE REVIEW: [24 CFR 982.308]

The NBHA will review the lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. The tenant also must have legal capacity to enter a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the Request for Tenancy Approval. If the owner uses a standard lease form when renting to unassisted tenants in the City of New Britain, the same lease must be used for HCV program units (with the addition of the HUD Tenancy Addendum)

The lease must specify:

- The names of the owner and tenant;
- The address of the unit rented (including apartment number, if any);
- The amount of the monthly rent to owner;
- The utilities and appliances to be supplied by the owner or by the family;
- The terms of the lease, including initial term and renewal provisions.

The HUD prescribed tenancy addendum must be included in the lease word-for-word before the lease is executed.

Effective September 15, 2000, the owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

Action before Lease Term:

The following must always be completed prior to the beginning the initial term of the lease for a unit:

- The NBHA must inspect the unit and have determined that unit satisfies the Housing Quality Standard (HQS);
- The NBHA must have determined that the rent charged by the owner is responsible;
- The landlord and the tenant must have executed the lease, including the HUD-prescribed tenancy addendum;
- The NBHA must have approved leasing of the unit in accordance with program requirements; the landlord and the tenant must execute the lease, including the HUD-prescribed tenancy addendum and submit to the housing authority before contracts may be executed
- When the gross rent exceeds the applicable payment standard for the family, the NBHA must determine that the family share (total family contribution) will not be more than forty percent of the family’s monthly adjusted income.

D. SEPARATE AGREEMENTS:

Families and Owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other items.

The family is not liable under the lease for unpaid charges for items covered by separate agreements and non payment of these agreements cannot be cause for eviction.

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by the NBHA.

Any appliances, service or other items, which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other items.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not substitute for higher rent, they will be allowed.

NOTE:

All agreements for special items or services must be attached to the lease approved by the NBHA. If agreements are entered into at a later date, they must be approved by the NBHA and attached to the lease.

E. **RENT LIMITATIONS:** [24 CFR 982.507]

NBHA will make a determination as to the reasonableness of the proposed rent in relation to comparable units available for lease on the private unassisted market, and the rent charged by the owner for a comparable unassisted unit in the building or premises.

By accepting each monthly housing assistance payment from the NBHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner is required to provide the NBHA with information requested on rents charged by the owner on the premises or elsewhere.

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined and approved by the NBHA.

F. **DISAPPROVAL OF PROPOSED RENT:** [24 CFR 982.502]

In any of the programs, if the proposed gross rent is not reasonable, at the family's request, the NBHA will negotiate with the owner to reduce the rent to a reasonable rent. If, in the voucher program, the rent is not affordable because the family share would be more than forty percent (40%) of the family's monthly adjusted income, the NBHA may negotiate with the owner to reduce the rent to an affordable rent for the family.

If the rent can be approved after negotiations with the owner, the NBHA will continue processing for tenancy approval and lease. **Once the negotiated rent has been agreed upon by both NBHA and the owner, the inspection will be requested.**

G. **INFORMATION TO OWNERS:** [24 CFR 982.307(B), 982.54(d) (7)]

The NBHA will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

A statement of the NBHA's policy on release of information to prospective landlords will be included in the briefing packet, which is provided to the family.

Each owner must also submit proof of ownership of the property, such as a deed or tax bill, and a copy of the management agreement if any agent manages the property.

The owner must provide a home telephone number and business number if applicable.

Unless the lease was effective prior to June 17, 1998, a family may not lease property owned by a parent, child, grandparent, grandchild, sister, or brother of any family member. The NBHA MAY waive this restriction as a reasonable accommodation for a family member who is a person with a disability.

The NBHA's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

H. **CHANGE PAYMENT (TTP) PRIOR TO HAP EFFECTIVE TOTAL TENANT:**

When the family reports changes in factors that will affect the total family share prior to the effective date of the HAP contract at admission, the information will be verified and the total family share will be recalculated. Whether or not if the family report any change, the NBHA

MAY obtain new verifications before signing the HAP contract, even if verifications are more than sixty (60) days old.

I. **CONTRACT EXECUTION PROCESS:** [24 CFR 982.305 (c)]

The family and the owner will execute the lease agreement, and the owner and the NBHA will execute the HAP contract. Copies of the documents will be furnished to the parties who signed the respective documents. The NBHA will retain a copy of all signed documents.

The NBHA makes every effort to execute the HAP contract before the commencement of the lease term. The HAP contract may not be executed more than sixty (60) days after commencement of the lease term and no payments will be made until the contract is executed.

The following NBHA representative(s) is/are authorized to execute a contract on behalf of the NBHA; Executive Director or designee.

Each owner must provide the current address of their residence (not a Post Office Box) the owner's current address will be compared to the subsidized unit's address.

Each owner must provide an employer identification number or social security number and complete an IRS Form W-9.

Each owner must complete a Direct Deposit Form to receipt their HAP payment automatically deposited in their bank account.