



**The Housing and
Redevelopment Authority of
Virginia, MN**

Landlord Orientation Handbook

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Welcome Letter

Welcome to the Virginia Housing Authority's Section 8 Program. As a landlord, you are an integral part of the program. Without you, our participants would have nowhere to rent. To get you acclimated to the program, I have put together this packet to provide an overview of the program that hopefully answers some of the questions you may have. Another great resource as a new or existing landlord is the handbook, ***Landlords and Tenants: Rights and Responsibilities***, located on the Minnesota Attorney General's webpage: <https://www.ag.state.mn.us/Brochures/pubLandlordTenants.pdf>. If you have any questions about our program, do not hesitate to call.

Thank you
Greg Lee
Section 8 Manager

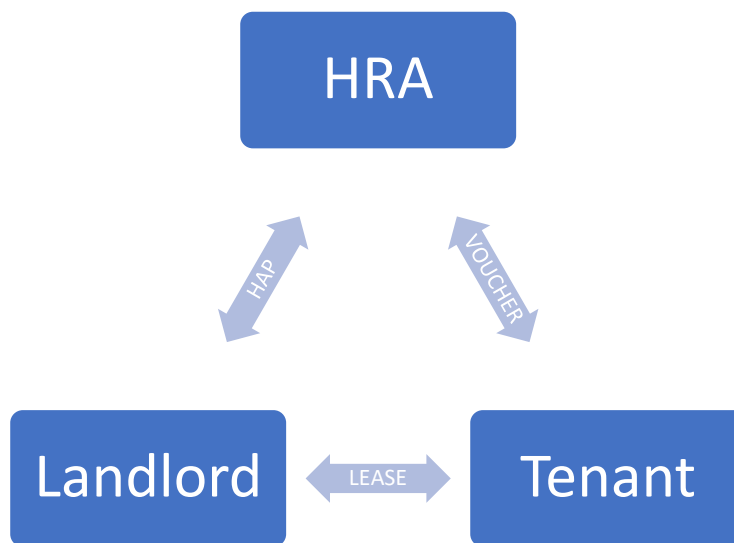
Section 8 Team



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Program Description and Roles

The US Department of Housing and Urban Development (HUD) provides Section 8 rental subsidies to families with low incomes in the form of Housing Choice Vouchers. The Virginia Housing and Redevelopment Authority (VHRA) administers the program in Northern St. Louis County. The VHRA pays rent subsidies directly to rental property owners on behalf of eligible voucher families. Federal Regulations govern the contractual relationships between the property owners/landlords, Virginia HRA, and tenants. Once the HRA approves an eligible family's housing unit, the family and landlord sign a lease. At the same time, the landlord and the HRA sign a housing assistance payments (HAP) contract that runs for the same term as the lease. This means that everyone: tenant, landlord and HRA have obligations and responsibilities under the voucher program.



HUD

HUD provides funding to HRA's to make Housing Assistance Payments (HAP) on behalf of the families. HUD also pays the HRA a fee for the cost of administering the Section 8 Program. When additional funds become available to assist new families, HUD invites HRA's to submit applications for funds for additional housing vouchers. Applications are reviewed and awarded to selected HRA's on a competitive basis. The federal regulation that covers the HCV program is 24 CFR Part 982.

HRA

The HRA administers the voucher program locally. The HRA provides a household with rental assistance that enables the family to seek out suitable housing. The HRA enters into a contract with the landlord to provide housing assistance payments on behalf of the family. If the landlord fails to meet the owner's obligations under the lease, the HRA has the right to terminate assistance payments. The HRA must reexamine the family's income and composition annually. The HRA must inspect the unit biennially to ensure it meets with HQS.

Tenant

Once an applicant or participant family selects a housing unit and it passes the HRA HQS inspection, the family signs a lease with the landlord for a minimum of one year. Landlords may require the tenants to pay security deposits, but the HRA does not offer assistance to the family to cover deposits. The family is expected to comply with the lease and the program requirements, pay its share of rent on time, maintain the unit in good condition, and notify the HRA of any changes in income or household composition.

Landlord

The role of a landlord in the voucher program is to provide decent, safe and sanitary housing to a tenant at a reasonable rent. The unit must pass the programs Housing Quality Standards (HQS) and be maintained up to those standards as long as the owner receives housing subsidy payments. In addition, the landlord is expected to provide the services agreed to as part of the lease signed with the tenant and the contract signed with the HRA.

Lease

Landlords/Owners must supply their own lease. The lease must comply with state and local laws. A Tenancy Addendum will be attached to the lease and if a conflict between the lease and addendum occurs, the provisions required by HUD shall control. Please note that the HRA is not a party to the lease. A 12-month (1 year) lease is the minimum term for an initial lease. At the end of that year, a new lease may be signed, or the tenancy may continue on a month-to-month basis. A mutual termination may be executed at any time to terminate the lease, provided that both parties agree to the termination. A copy of a mutual termination of the lease has been provided for your review. After the first year of residence, the owner may terminate the lease at any time, provided that the required written notice is given. The owner may also terminate the lease for serious and/or repeated violations of the terms of the lease and for violation of federal, state or local laws regarding the occupancy or use of the unit.

Participating in the HCV Program as an Owner/Landlord: Things to Know Beforehand

How does an owner get involved in the program?

An owner becomes involved in the program through a family with a housing choice voucher. The family looking for a rental unit will inform the owner that they have a voucher for rent assistance and will ask the owner if he/she is willing to participate in the program.

Is an owner required to participate in the Section 8 Program?

An owner has the same right of tenant selection with Section 8 participants as other applicants. State and federal laws prohibit housing discrimination based on race, color, religion, sex, national origin, age, familial status, disability, creed, marital status, sexual orientation, or reliance on public assistance in connection with the lease.

What does the program offer to owners?

- **Guaranteed Rent:** The HRA's contracted portion of the rent is paid directly to the landlord on time, every month as long as tenant and landlord obligations have been met.
- **Protection Against Tenant Loss of Income:** A Section 8 client's rent portion is based on household income and the HRA's portion of the rent can be increased if the tenant's income drops. Landlords have the assurance that their tenant will be able to afford their portion of the rent.
- **Better Unit Maintenance:** Initial inspections by the HRA ensure the quality of the unit before a tenant occupies the unit. Biennial inspections may point out unnoticed maintenance issues before they become major issues which may be particularly beneficial for out-of-town landlords.
- **Free Vacant Unit Advertising:** Available units can be posted in our office if you call (218) 741-2610 ext. 6301 and speak with our front desk representative.
- **You Choose Your Tenants:** Landlords have full discretion in tenant selection within the guidelines of the Fair Housing Act.

Does the HRA screen families for the owner?

The HRA does **not** screen applicants for landlords. Tenant screening and selection is the responsibility of the owner. The HRA recommends that the owner check references of all applicants, assisted and non-assisted. We also encourage landlords to refer to ***Landlords and Tenants: Rights and Responsibilities*** which is published by the Minnesota Attorney General's Office to ensure you are aware of state statutes.

Can an owner obtain information about the family from the HRA?

Regulations allow the HRA to give information about clients to landlords including the family's current and prior address and names and addresses (if known) of the family's current or prior landlords.

Can I rent my unit to a family member who is a Section 8 client?

No, the HRA is prohibited by federal regulations from approving a unit for assistance if the owner is a parent, grandparent, child or sibling of any member of the family. The only exception is if the program participant is a person with disabilities and it has been determined that approving the unit would be providing a reasonable accommodation. However, it is a very rare situation to be approved under these circumstances.

Can my current tenant apply for the Section 8 Housing Choice Voucher?

Yes. The program is open to low-income families without regard to race, religion, national origin, gender, source of income, or present residential location. To apply for rental assistance, a tenant must complete an online application at our website, www.vhra.org. Once an application is submitted for the Section 8 program, the applicant is placed on the waiting list in chronological order. When openings occur within the program, applicants will be selected from the waiting list and letters will be mailed requesting updated information and verifications. Criminal background checks are performed on all adult members of the household. Once that is complete, applicants will be sent an additional letter with instructions to attend a mandatory briefing session. The briefing session will consist of what the Section 8 HCV program is, the processes, rules and

additional housing information. Income eligibility is determined after the briefing session and if eligible, the family will be issued a Housing Choice Voucher.

How do owners receive payments from the HRA?

Once an owner decides to lease a unit to an individual or family who has a voucher, an HRA representative will email the owner a W9 and Direct Deposit ACH Form to complete and return. Rent payments are generally sent via ACH on the first of the month unless the first falls on a holiday or weekend. In that case, the payment will be sent on the next business day.

What types of housing units can be rented by the HCV participants?

Apartments, single-family homes, duplexes, townhouses, condominiums and mobile homes are eligible housing types. Our jurisdiction covers Northern St. Louis County (north of Cotton) including, but not limited to the following cities: Hoyt Lakes, Aurora, Biwabik, Embarrass, Ely, Babbitt, Eveleth, Gilbert, Virginia, Mountain Iron, Cherry/Forbes/Zim, Chisholm, Hibbing, Orr and Cook. Duluth and Grand Rapids are not in our jurisdiction.

Once an Owner Approves a Section 8 Family: FAQ's Regarding the Process

Is the unit inspected by the HRA and what's the purpose of the inspection?

Yes, a unit must be inspected by the HRA to 1) ensure that the unit meets Federal Housing Quality Standards, and 2) document the condition of the unit at the time assistance begins. The HQS were developed to ensure the housing assistance through the program is "decent, safe and sanitary." The unit is re-inspected biennially. The HRA does not inspect properties for Section 8 approval until after an owner approves a rental application from a voucher holder.

How does the inspection process start?

The Request for Tenancy Approval (RTA) is a form that the tenant provides to the owner. This form initiates the inspection process and once approved for inspection, sets the terms for the full first year of tenancy. It is very important to fill it out accurately and completely.

The owner completes the following portions: unit size, rent, availability, address, utility responsibilities and owner certifications. The owner (landlord) and voucher holder (head of household) both sign the document certifying that the information is true and correct. Once the HRA receives the RTA and the rent is determined to be affordable based on the information provided, the request will be passed onto the inspector.

How is Affordability Determined?

Gross rent is the contract rent plus tenant paid utilities. The estimate for tenant paid utilities (excluding telephone and cable) is calculated by the HRA using average consumption data by bedroom size, structure type, and energy source. This data is reviewed biannually and updated accordingly. If the gross rent exceeds the Payment Standard, the overage becomes the tenant responsibility in addition to 30% of their adjusted monthly income. If the tenant portion exceeds 40% of their income, it would not be affordable and therefore not approved. Additionally, the HRA must ensure that all proposed lease payments are reasonable in relation

to rents currently charged for comparable rents in the private, unassisted market and does not exceed the rent being charged for unassisted units in the same building.

What if a unit fails an initial inspection?

Under federal regulations, a unit either passes or fails. Any item that does not meet the standards will cause the unit to fail. The owner will be notified, in writing if the unit “fails.” The owner determines whether or not to make necessary repairs. If the owner elects to make the repairs, the HRA must be notified of repair completion, and the unit will be re-inspected. If the owner chooses not to make the repairs, the family must select another unit to receive assistance. A unit is ineligible for subsidized assistance until it passes inspection. **We discourage tenants and landlords from signing lease agreements until the unit passes.**

What is the required term of the lease?

HUD requires an initial 1-year lease. The rent amount and utility distribution in the lease must match the information that has been provided on the Request for Tenancy Approval. If the landlord had a previous lease with the tenant, the HRA will request an updated version reflecting the new 1-year term that matches that of the Housing Assistance Payment (HAP) Contract. After the first year, it can be month to month.

What is a HAP Contract?

<https://www.hud.gov/sites/dfiles/OCHCO/documents/52641.pdf>

The HAP Contract is between the owner and the HRA. Essentially, it guarantees that the HRA will pay its portion of the rent and that owners will perform their responsibilities under the lease.

What is the Tenancy Addendum?

<https://www.hud.gov/sites/dfiles/OCHCO/documents/52641A.pdf>

It is part of the HAP contract and is attached to the tenant’s lease. It has provisions that the tenant and landlord must adhere to.

When can the rent amount be changed?

The owner must notify the HRA of any changes in the amount of the rent to owner at least sixty days before any such changes go into effect. The HRA must ensure that the rent is reasonable based on market information. The adjustment must not exceed the amounts charged for other comparable units in the same building.

What is the process if a tenant wants to move to another unit in the same building?

The tenant is required to give the HRA a full rental period notice. Moving in the same building is the same as moving to another location and an inspection will have to be completed on the new unit.

What if a tenant damages the unit or is not paying rent?

Nonpayment of rent or damages to the unit are lease violations and owners can terminate the tenancy with proper written notice. If a landlord does issue a Notice to Vacate, Nonrenewal of Lease, or Eviction Notice to a tenant, they are also required to provide a copy of the notice to the HRA.

If the tenant is evicted with a court ordered judgement, they will lose their voucher for 3 years. If the tenancy is terminated outside the court system, it is possible for the tenant to remain on the Section 8 Program. To do so, they would be required to resolve any nonpayment of rent with the landlord. This prevents tenants from moving around and owing money to multiple landlords.

Helping Tenants Avoid Eviction

When renters are at risk of getting evicted, communication is vital. If verbal communication between the landlord and tenant does not resolve the issue and a written notice to vacate is given to the tenant, the HRA also needs to be notified and given a copy of the notice. We will discuss the options and consequences with the tenant. This intervention often leads to the tenant and landlord mutually agreeing on the move out date without the need to file an eviction order with the court. Additional resources that may be offered to the tenant include:

Find help with eviction prevention through legal assistance by calling 2-1-1, texting your zip code to 898-211, or searching the [United Way 2-1-1 website](#)

[MNBenefits](#) Minnesota Emergency Assistance for Families/Emergency General Assistance is a short-term assistance program for people experiencing financial hardship. You can access the program application through your local county human services office or at [MNBenefits](#).

[Bridge to Benefits](#) This web-based screening tool can help an individual identify if they're eligible for public works programs, including SNAP, WIC, School Meal Program, Minnesota Health Care Programs, Energy Assistance and Child Care Assistance. Visit the [website](#) for more information.

[Community Action Partnership Minnesota](#) Community Action Partnership members provide assistance to individuals and families in times of crisis. [Find Your Local Community Action Agency](#)

HOME Line A non-profit Minnesota tenant advocacy organization providing free and low-cost legal, organizing, education, and advocacy services so that tenants throughout Minnesota can solve their own rental housing problems. HOME Line's hotline is confidential:

For English, call 612-728-5767 or [email your question to one of our housing attorneys](#).

Toll-free from Greater Minnesota: 866-866-3546

HOME Line's tenant hotline remains open during the COVID-19 pandemic. However, HOME Line's physical office is closed. Call or [email](#) for legal advice about your tenancy. Visit [HOME Line's website](#) for more information.

LawHelpMN In some cases, direct financial support may not be available. Visit [LawHelpMN](#) to get information about evictions.



General Information



If you have questions about your payment, are looking to change your address, or if there is a change of ownership, please contact your tenant's worker in our office. To determine which

worker is assigned to your tenant, please refer to previous mailings you have received regarding that tenant.



Fraud memo



The Department of Housing and Urban Development (HUD) has conveyed to us serious concerns about violations of the Section 8 Housing program requirements. The HUD Office of the Inspector General (IG) has recently identified cases of fraud by Public Housing Agencies (PHA's) and their employees, owners/managers, and tenants participating in the Section 8 Housing program.

In order that the Department may provide Section 8 Housing assistance to as many needy families as possible, all participants in the HUD sponsored program must properly utilize Government funds and follow Departmental policy requirements. Incidents of fraud, willful misrepresentation, or intent to deceive with regard to the Section 8 Housing program are criminal acts. If you are suspected of committing fraudulent actions, we are required to refer the matter to the proper authority for appropriate action. This could lead to an investigation for the allegation and could result in you being accused of a **federal** crime. You could also be terminated from participation in the program.

Some examples of fraud involving owner/managers identified by the IG's office include:

1. Requiring extra (side) payments in excess of the family's share of rent. Any increase in the rent must receive prior approval by the HRA.
2. Collecting assistance payments for units not occupied by Section 8 tenants. You must notify us if a tenant has moved out. We will recoup excess payments for unoccupied units.
3. Bribing HRA employees to certify substandard units as standard.

We urge you to report any violation of the Section 8 Housing program. These violations should be reported immediately rather than continuing non-compliance with program requirements.

If you know of any violations or fraud committed by others, including PHA employees, tenants or other owners, please contact Greg Lee, Section 8 Manager, at the Virginia Housing Authority.