

Quick Guide: Leasing a Unit with LRHA

Are you a landlord looking to fill a unit vacancy? Rent your unit to an LRHA client in 6 easy steps!

Step #1: Identify Tenant

- Property owners make the selection of a tenant based on the screening and selection criteria used for all other applicants.
- When screening applicants, owners must always adhere to federal, state and local laws and HUD regulations regarding nondiscrimination.

Step #2: Submit Completed Leasing Packet to LRHA

- Once the owner has selected a voucher holder to rent the unit, the next step is to complete the LRHA Leasing Packet, which includes several important forms:
 - Request for Tenancy Approval (RFTA):** The RFTA must be completed in full, signed by both the owner and the prospective tenant and submitted to LRHA for approval prior to the expiration date on the participant's voucher.
 - A copy of the proposed **Lease**
 - Proof of ownership** of the unit (such as a deed or tax bill)
 - W-9 form / Tax ID information**
 - Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards**
 - Proof of lead compliance or proof the unit was built after 1978.**
 - Direct Deposit form & voided check or deposit slip**

Step #3: Unit Review & Inspection

- Rent Reasonableness Determination:** Upon receipt of a completed Leasing packet, LRHA will review the requested rent to determine if it is reasonable compared to unassisted units in the rental market. If the rent is not reasonable, LRHA will contact the owner to negotiate the rental price to a level that is approvable.
- Schedule Inspection:** Once the requested rent and all other documentation has been approved, LRHA will schedule the inspection within 10 business days from the Owner's notification that the unit is ready for inspection.
- Reinspection (as needed):** If there are any deficiencies which cause the unit to fail the initial inspection, LRHA will notify the Owner of these deficiencies. Upon notification from the Owner that the deficiencies have been corrected, LRHA will coordinate with the Owner to promptly reinspect the unit.

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Step #4: Unit Approval & Calculation of Rent

- **Calculation of Subsidy Amount and Tenant Rent:** Once the unit has passed inspection and the rent amount has been approved, LRHA will calculate the tenant portion of the rent as well as LRHA's subsidy portion to be paid to the landlord and will communicate these amounts to both the Tenant and the Owner via rent letter.

Step #5: Execute Lease & Contract

- **Lease:** Upon approval from LRHA, the Owner may execute the lease with the Tenant, with the start date of the lease consistent with the date that the Tenant takes possession of the unit.
- **HUD Tenancy Addendum:** The executed Lease must have a copy of HUD's Tenancy Addendum attached.
- **Housing Assistance Payments (HAP) Contract:** Once the Lease and Tenancy Addendum has been executed and provided to LRHA will execute the HAP contract with the owner, authorizing LRHA to make rental payments to the landlord each month on behalf of the tenant. Owners should review and familiarize themselves with the terms of the HAP contract.

Step #6: Initiate Payment to Owner/Landlord

- **Payment to the Owner:** Once the contracts have been fully executed and returned to LRHA, LRHA will initiate payment in its system. The Owner shall generally receive payment on the first of the month following the return of the executed contracts as long as they are provided to LRHA timely. The payment shall include any applicable retroactive amounts due beginning from the date of the Lease and HAP contract.

Frequently Asked Questions:

1. How long does the leasing process typically take?

The process from identifying a tenant to leasing them in the unit and receiving payment depends on a variety of factors. Generally, it takes approximately 3 weeks to process, inspect, and approve a unit for leasing if all paperwork is complete and provided timely, the rent is reasonable and approvable by LRHA, the unit is available for inspection and passes the initial inspection with no deficiencies. However, it can take longer if paperwork is missing or incomplete or there are any other issues encountered. Please review the steps above to ensure

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that all required paperwork is provided timely to LRHA to ensure a smooth and efficient processing of your unit for lease-up.

2. What is “Rent Reasonableness”?

LRHA is required to assess whether a requested rent is “reasonable” as compared to other non-assisted units in the market area. LRHA will review market data for comparable units (i.e. units of comparable size, location, amenities, etc.) to ensure that the rent amount is reasonable and approvable according to program policies.

3. What is the “Payment Standard” and how does it relate to the rent a Landlord can charge for a unit assisted under the voucher program?

The payment standard is the maximum subsidy LRHA can pay on behalf of a family. Each year, LRHA establishes payment standards based on the Department of Housing and Urban Development’s (HUD) Fair Market Rents (FMRs) for the area, which vary by bedroom size. When a family is requesting to lease a unit with their voucher LRHA will calculate whether or not the requested rent for the unit is approvable according to the tenant-paid utilities, the applicable voucher payment standard, the family’s monthly income, and comparable units in the area. LRHA will inform the landlord if the rent is not approvable based on these criteria.

4. What are the common items that may cause a unit to fail inspection?

The following are common fail items that the inspector will look for during the inspection:

- Are there any improperly wired electrical outlets (e.g. reverse polarity, open ground, hot neutral reverse, etc.)?
- Are there any holes or large gaps on walls/ceilings/floors of living space areas (more than a quarter inch)?
- Is there any deteriorated and unstable paint on surfaces (e.g. peeling, cracking, chipping, etc.)?
- Are there any missing/broken handrails and/or stairs (both interior and exterior)?
- Are the smoke and carbon monoxide detectors present and operable?
- Is there adequate heat in all living spaces?
- Are there any exposed electrical wires/connections?
- Is there hot and cold running water, proper drainage, and no leaks?
- Is there evidence of pests such as mice, rats, fleas, bedbugs, etc.?
- Are the floors free of tripping hazards?
- Is toilet securely fastened with no leaks or gaps and does it flush properly?
- Are there any broken/faulty door locks and drafty doors?
- Are there any cutting hazards (e.g. protruding sharp nails, pipes/metals)
- Are there any broken or inoperable windows (e.g. cracked glass panes,



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objects with jagged edges, deteriorated sheet metal, cracked glass blocks on windows, etc.)?

broken locks, drafty frames, unable to open, etc.)?

5. What happens if the tenant has a change in income?

Renting your unit to a LRHA participant means that you – the landlord – will still receive rental payments even if the tenant income changes. If the tenant experiences a change in household income or eligible expenses, family composition, or other related information then the tenant must notify LRHA, generally within 10 business days of the change. LRHA will review the information and determine whether the rent amount will be adjusted and if so, the Tenant and Owner will be notified of such changes via rent letter.

6. Who should I contact if I have questions?

HCV@lynchburghousing.org or call 434-485-7200

7. What if there are issues with the tenant – who should I call?

You may contact LRHA if you are experiencing issues with the tenant; however, LRHA is not a party to the lease and therefore is generally not able to enforce terms of the lease between the tenant and the landlord. Landlords should follow their normal processes for dealing with non-compliance of tenants and provide LRHA with copies of any legal notices served to the tenant. Certain lease violations may result in termination of the household's voucher with LRHA, therefore it is important for the Landlord to provide copies of all notices to the tenant to LRHA.

8. How can landlords request a rent increase?

Landlords may request a rent increase after the initial lease term and in accordance with the provisions of the lease and applicable laws. To request a rent increase landlords must send a written request to LRHA with notice also copied to the tenant at least 60 days prior to the proposed date of the increase. The contract rent may not be increased until after the initial term of the lease, and LRHA will only approve one rent increase per 12-month period. LRHA will not approve a rent increase for any unit that is considered in violation of Housing Quality Inspections Standards (HQS) for deficiencies attributable to the landlord.