

A Property Owner's Guide to the Regional Rental Assistance Program



REGIONAL RENTAL ASSISTANCE PROGRAM
Cass ▪ Dodge ▪ Douglas ▪ Sarpy ▪ Washington Counties, Nebraska

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Introduction

Thank you for your interest in the Regional Rental Assistance Program. This guidebook is intended to provide you with an overview of this new, state-funded program. As an overview, it necessarily provides summary information only and, while every effort has been made to provide accurate and up-to-date information, we must note that state, regional, and program regulations, policies and procedures, as well as the signed agreements and forms supercede anything that is stated in this guidebook.

This guidebook, as well as other current information and forms, are posted on Community Alliance's web site and available for download at: www.cahms.org under the Regional Rental Assistance Program tab.

As the contracted management agent of the Regional Rental Assistance Program for Douglas, Sarpy, Washington, Dodge, and Cass counties, Community Alliance Housing Management Services is looking to form positive partnerships with property owners throughout the area to provide safe, decent, and affordable housing for program participants. Our goal is to provide "customer-friendly" service to both our customers - you, the property owner and landlord as well as the program participant. With this in mind, we invite you to contact us with your questions, comments, or feedback at any time.

Thank you again! We hope that you find this guide book helpful and that you will consider participating in the Regional Rental Assistance Program.

What is the Regional Rental Assistance Program?

The Regional Rental Assistance Program (RRAP) is a new state funded rental assistance program for individuals with serious mental illness who are very low income. Authorized by Nebraska Revised Statute § 71-812(3) [LB40/2005], and funded through real estate documentary stamp taxes, its purpose is to assist adults with serious mental illness to access decent, safe, affordable housing.

Each regional mental health authority in Nebraska is responsible for administering the program in its area. For Cass, Dodge, Douglas, Sarpy, and Washington counties, Region 6 Behavioral Healthcare, the regional mental health authority has contracted with Community Alliance Housing Management Services (CAHMS), a private, non-profit agency, to manage this program. This means that while the State and Region 6 sets the rules of the program, CAHMS has the responsibility for accepting and processing applications to the program, entering into agreements with participating property owners, enforcing program rules and responsibilities, and making housing assistance payments directly to the property owner.

The Regional Rental Assistance Program is set up to operate much like the federal Section 8 Housing Choice Voucher program operated by public housing authorities. Just as with the Section 8 program, there are three parties involved in the process: The RRAP assisted client or tenant; the property owner; and CAHMS as the program's management agent.

The RRAP assisted client or tenant is responsible for finding his/her own suitable housing within the geographic area covered by the program - Douglas, Sarpy, Dodge, Washington, or Cass County, Nebraska. Although CAHMS may provide the client a listing of landlords who have expressed interest in participating in the program, or who are currently participating in the program, it will not direct or place clients into specific units. Property owners receive a portion of the rent directly from CAHMS each month. The tenant pays the remainder directly to the property owner in accordance with the property owner's rental agreement.

Who is eligible for the program?

The State of Nebraska and/or Region 6 have established the following eligibility rules for an individual or household to participate in this program:

- Participant must be an adult, age 19 or older.
- Participant must live in, or agree to live in Cass, Dodge, Douglas, Sarpy, or Washington Counties, Nebraska.
- Participant must be very low income in accordance with federal definitions.
- Participant must be a U.S. citizen or have legal immigration status.
- Participant must be receiving, and agree to continue receiving behavioral health services throughout his/her participation in the RRAP program.
- Participant must have tried, or agree to try at the first opportunity to obtain Section 8 rental assistance from the public housing authority in the area that he/she is residing or intends to reside, and to transition to the Section 8 program when eligible.

What are the benefits to the property owner of participating in the program?

Participation in the Regional Rental Assistance Program may offer a number of potential benefits to the rental property owner, including:

- Assurance of regular and timely payments of program rental payments.
- Retaining the right and discretion for tenant selection, lease enforcement, and all other aspects provided under state landlord-tenant laws.
- Clearly delineated roles and responsibilities between landlord, tenant, and the RRAP program.
- Knowledge that the participating tenant is receiving needed mental health services, including assistance with meeting his/her tenant obligations; ability to contact a mental health professional familiar with the tenant if/as needed.
- Increased probability of a long-term tenant as most individuals involved in the program are looking for quality, stable housing.
- Ease of transitioning the unit to the Section 8 program without losing the tenant since RRAP program utilizes the same housing quality standards, income and other eligibility standards, as well as similar forms and agreements.

Basic Program Policies and Guidelines

Issuance of Voucher

When an individual has been determined eligible for participation in the Regional Rental Assistance Program, he/she will be issued a voucher (see sample in Appendix 1 of this guide) outlining the following:

- Authorization to look for a housing unit;
- Maximum size of unit (i.e. number of bedrooms) authorized;
- Issuance date and expiration date of voucher, indicating the time frame which the eligible individual has to find housing under the program;
- Obligations and responsibilities of the individual/family under the program;
- Other information regarding the program.

Upon receipt of a voucher, the participating client can begin his/her search for suitable housing. This is typically the time when the property owner will have his/her first contact and introduction to the program. The voucher given to the program participant can serve as verification to the property owner that the individual has been found eligible to participate in the program. The participating client is encouraged to show prospective landlords a copy of his/her voucher upon request.

Location of Housing To Be Rented to RRAP Participant

Regional Rental Assistance Program payments may only be made to subsidize rental units physically located in Dodge, Douglas, Cass, Washington, or Sarpy counties. Under no circumstances can CAHMS approve a unit, or make assistance payments for a unit located geographically outside of these county boundaries.

Eligible/Ineligible Housing

Under program guidelines, CAHMS may approve leases for the following housing types:

- Apartments
- Single family dwellings.
- Manufactured housing.
- Manufactured home space rentals.

The following types of housing may not be assisted under this rental program according to program rules:

- A public housing or Indian housing unit.
- A unit receiving project-based assistance under a Section 8 program.
- Nursing homes, board and care homes, assisted living facilities, or facilities providing continual psychiatric, medical, or nursing services.
- College or other school dormitories.

- Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions.
- A unit occupied by its owner. This restriction does not apply to cooperatives or to assistance on behalf of a manufactured home owner leasing a manufactured home space.
- A unit receiving any duplicative federal, state, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit or HOME rent controls.
- A unit as part of a group home.
- Cooperative housing.
- Single room occupancy housing.

Owner Responsibility for Screening, Selection, and Lease Enforcement

CAHMS conducts screening of applicants based upon the government eligibility requirements for receiving rental assistance under this program. The property owner is permitted and encouraged to do their own screening in determining an applicant's suitability for tenancy in the owner's unit. Any screening the owner chooses to do must be in compliance with state landlord-tenant laws. The property owner must also conduct the same screening processes for prospective tenants under this program as they do for individuals who are not with the Regional Rental Assistance Program.

Property owners are responsible for enforcing their own lease. Regional Rental Assistance Program (RRAP) tenants must be treated the same as unassisted tenants. CAHMS requests that property owners forward a copy of all correspondence given to an assisted tenant to the CAHMS office. Failure of an RRAP client to comply with his or her lease is grounds for termination from the RRAP program.

Regional Rental Assistance Program clients are required to submit a proposed lease with a completed "Request for Tenancy Approval" packet.

Tenant Lease and Tenancy Addendum

The property owner will enter into its standard lease agreement with the tenant. The lease however, is subject to review and approval by CAHMS prior to CAHMS entering into a Housing Assistance Payment (HAP) contract with the property owner. In addition, a copy of the Tenancy Addendum must be attached and made part of any lease agreement between the tenant and property owner. The Tenancy Addendum (see appendix 2) addresses terms and conditions relevant to the owner and/or tenant which must be included within the lease including: use of the unit being rented; provisions relative to rent and tenant payment of rent to the owner; other fees and charges; maintenance, utilities, and other services; termination of tenancy by the owner; relation of the lease to the HAP contract; termination of rental assistance; tenant move-out; security deposit; prohibition of discrimination; changes in lease or rent; notices; and drug-free housing provisions. If there is any conflict between the Tenancy Addendum and provisions of the lease agreement, the language of the Tenancy Addendum must supersede the language of the lease agreement.

Security Deposit

Property owners may charge a security deposit under this program, provided that the amount of any such deposit does not exceed one month's rent, and that the amount does not exceed that charged to tenants who are not participating in the program. Generally, it is the property owner's responsibility to collect any security deposit from the tenant directly. In some cases, the Regional Rental Assistance Program may be able to assist a participating client with a portion of his/her security deposit requirements. In such cases, CAHMS will communicate this to both the participating client and property owner. Because of the limited financial resources available to a participating client when first renting an apartment, CAHMS encourages property owners to consider allowing a tenant to pay any required security deposit in installments, but this is, of course, the decision of the property owner.

Request for Tenancy Approval

When the applicant finds a unit that the owner is willing to lease under the program, the applicant and the owner will complete a proposed lease, the Tenancy Addendum, and a Request for Approval of Tenancy packet (see appendix 3 for sample forms). The Request for Approval of Tenancy requires certain information to be completed by the property owner which will assist in determining rent reasonableness, tenant portion of payments, utility allowances if any, assistance payment amount, and the like. It will also serve as the means to schedule an inspection of the unit. The balance of the Request for Approval of Tenancy packet is comprised of required disclosure and certification statements related to compliance with Housing Quality Standards and Lead-Based Paint and the IRS form W-9.

The proposed lease, Tenancy Addendum, and Request for Approval of Tenancy packet must be submitted to CAHMS prior to the expiration date of the voucher. CAHMS will review these documents and make an initial determination of approval of tenancy. CAHMS may assist the applicant in negotiating changes that may be required for the tenancy to be approved. Once it appears the tenancy may be approved, CAHMS will schedule an appointment to inspect the unit.

Housing Quality Inspections

CAHMS will inspect all units to ensure that they meet the federal Housing Quality Standards (HQS). These are the same standards applied by public housing authorities in qualifying units under the Section 8 program. Like the Section 8 program, CAHMS will not provide initial approval of a tenancy under the program until a physical inspection of the unit to be rented has been conducted and Housing Quality Standards have been met. All assisted units will be inspected at least annually thereafter so long as a tenant receiving assistance is residing in that unit.

A copy of the inspection checklist and the guidelines or standards utilized in completing the inspection is included in this guide book as Appendix 4 & 5.

CAHMS must be allowed to inspect a unit at reasonable times with reasonable notice. Both the client and the property owner must cooperate fully in this process for rental assistance to be approved initially, or for it to be continued.

Types & Frequency of Inspections

Five types of inspections, all of which will adhere to HQS standards, can be performed by CAHMS:

- Initial Move-In Inspection - The unit must pass the standards before assistance can begin.
- Annual Inspection - An inspection to determine that the unit continues to meet the standards.
- Special Inspection - An inspection resulting from a complaint from the tenant, the property owner, or a third party.
- Move-Out Inspection - Completed at time of tenant move out at the request of the tenant or landlord for all tenant based assisted units.
- Regulatory & Oversight Inspection - Completed as requested by a regulatory body.

Owner Responsibility Related to Housing Quality

The unit owner must maintain the assisted unit and all common or shared areas in accordance with minimum housing quality standards.

If the owner fails to maintain the unit in accordance with these standards, CAHMS may take action to enforce the owner's responsibilities and obligations. Remedies may include termination, suspension, or reduction of rental assistance payments and termination of the HAP contract.

No rental assistance payment will be made for a unit that fails to meet minimum housing quality standards unless the owner corrects the defect within the period specified by CAHMS and such correction is verified. If a defect is considered life threatening, the owner must correct the defect within no more than twenty-four (24) hours. For other defects, the owner must correct the defect within a reasonable period of time as specified by the inspector. Typically this will be for a period of ten to fifteen days, and generally no longer than 30 calendar days.

The owner must allow CAHMS, and/or its designated representative to inspect the premises at reasonable times and upon reasonable notice. Failure to allow such inspection will be grounds for finding the owner in default of the housing assistance agreement, and termination of such agreement.

Tenant Responsibility Related to Housing Quality

The tenant is also held responsible for maintaining an assisted unit in a manner that meets the minimum housing quality standards established in areas under his/her direct control. For example, the tenant could be found responsible for violation of the standards if:

- He/she fails to pay for any utilities that the owner is not required to pay, but which are to be paid by the tenant;
- He/she fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or

- He/she, or any member of the household or guest of the tenant damages the unit or premises beyond ordinary wear and tear.

If the tenant fails to maintain the unit in accordance with minimum standards, CAHMS may take action to enforce the tenant's responsibilities and obligations. Remedies may include termination of assistance in accordance with federal, state, and local statutes and regulations, including landlord-tenant law, as applicable.

If a defect is the responsibility of tenant and is considered life threatening, the tenant must correct the defect within no more than twenty-four (24) hours. For other tenant responsibility defects, the tenant must correct the defect within a reasonable period of time as specified by the inspector. Typically this will be for a period of ten to fifteen days, and generally no longer than 30 calendar days.

The tenant must allow CAHMS, and/or its designated representative to inspect the premises at reasonable times and upon reasonable notice. Failure to allow such inspection will be grounds for finding the tenant in violation of its obligations and responsibilities under the rental assistance agreement and the agreement may be terminated.

Housing Assistance Payment (HAP) Agreement

Upon approval of a unit for tenancy, CAHMS will prepare a Housing Assistance Payment (HAP) agreement to be executed between the property owner and CAHMS. The unit is approved and the HAP agreement prepared when all of the following conditions are met:

- The unit passes the CAHMS conducted physical inspection utilizing the federal Housing Quality Standards (HQS);
- The monthly rent to be charged falls within the federal Fair Market Value for the unit size and is found to be reasonable as compared to similar units as determined by CAHMS.
- The property owner and tenant sign the lease (previously submitted to CAHMS for review) with the required Tenancy Addendum.

CAHMS will deny participation by an owner/landlord for any of the following reasons:

- Owner/landlord has violated any obligations under this rental program or Section 8 housing assistance payments contract.
- Owner/landlord has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal, state, or local housing program.
- Owner/landlord has engaged in drug-related criminal activity or any violent criminal history.
- Owner/landlord has history or practice on non-compliance with housing quality standards for units leased under this program or other federal, state, or local housing program.
- Owner/landlord has a history or practice of renting units that fail to meet state or local codes.
- Owner/landlord has not paid state or local real estate taxes, fines, or assessments.

Generally, the property owner, simultaneously with the signing of the lease and Tenancy Addendum will execute the HAP agreement. Upon receipt of the executed lease and the signed HAP agreement from the property owner, CAHMS will execute the agreement. CAHMS will not pay any housing assistance to the property owner until the HAP agreement is executed. In no case will the HAP agreement be executed later than 60 days after the beginning of the lease term.

After the initial payment has been made, the property owner can expect to receive the Housing Assistance Payment to be sent on the first of the month for the current month. The payments continue so long as the HAP agreement remains in effect, the unit remains in compliance with HQS standards, the approved client/tenant remains in the unit, and the property owner and tenant comply with all program policies and regulations.

Rental Payments

Assistance is based on a client's income and household composition. All RRAP clients must pay at least 30% of their monthly adjusted income toward rent and utilities. Clients are required to report all sources of income from wages, unemployment compensation, government assistance, Social Security benefits, child support, alimony, military pay, pensions, assets, and business ownership. Allowances are given for dependents, disability status, elderly status, childcare, and medical deductions.

A client's rental portion is subject to change in accordance to changes in their household composition and/or income. In addition to the annual recertification of income and expenses conducted by CAHMS, clients are required to promptly report any changes in their circumstances which could change their rental portion. Changes in circumstances that warrant a decrease in rental portion normally go into effect the month following the change. Changes in circumstances that warrant an increase in the client's rental portion require at least a 30 day notice to the client. The property owner is provided written notice anytime there is a change in rental portions.

Payment to Landlord/Owner

CAHMS will pay a monthly housing assistance payment on behalf of the tenant that equals the lesser of:

- The payment standard minus the total tenant payment; or
- The gross rent minus the total tenant payment.

CAHMS will make payment to the landlord/owner. Payment will be made at the first of the month for the current month consistent with the terms of the HAP Contract between CAHMS and the landlord/owner.

Tenant Portion of Rent

The tenant portion of rent is 30% of adjusted household income less any utility allowance, as determined through the income verification and determination process. Generally, there is a minimum tenant payment standard of \$25.00 consistent with federal housing assistance processes. The calculation of both the tenant portion and subsidy portion is rounded to the nearest dollar.

In cases where an applicant/tenant enters the program with zero income, income will be recertified by CAHMS every ninety days, and the tenant portion of the rent reset based on the recertification. In all other cases, the tenant's income and expenses is recertified by CAHMS at least annually, and the tenant portion of the rent recalculated.

The tenant portion of the rent is to be paid directly to the landlord/owner in accordance with the terms of the lease. The owner/landlord is responsible for collection of the tenant portion.

Maximum Subsidy

The Regional Rental Assistance Program uses the U.S. Department of Housing and Urban Development schedule of "Fair Market Rents" (FMR) to determine the maximum subsidy amount allowable to be paid under this program. The Fair Market Rent schedule, published at least annually by HUD, varies according to county and size of unit. CAHMS must always use the payment standard for the size approved for the eligible individual/family or the unit size actually selected by the eligible individual/family, whichever is less.

Participating clients are provided with a utility allowance for all tenant paid utilities (except telephone and cable), for the cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g. trash collection.) CAHMS will reduce the tenant portion of payment, and increase the subsidy portion paid to the owner/landlord, in the amount indicated on the utility allowance schedule for all approved utilities, appliances, or other services directly paid for by a tenant participating in the program, subject to the maximum subsidy limit.

The utility allowance schedule is maintained by CAHMS based on the utility allowance schedules developed by Douglas County Housing Authority and/or the City of Omaha, and is reviewed on at least an annual basis. CAHMS will provide a listing of the Fair Market Rent schedule and/or Utility Allowance schedule currently in effect to any property owner upon request.

The utility allowance is subtracted from the client's share to determine the amount of the rent that the tenant owes each month to the owner. The amount of the utility allowance is then still available to the tenant to pay the cost of their utilities. The schedule is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the area. If actual utility costs for the tenant are below the utility allowance provided, the tenant retains the difference; if actual utility costs exceed the utility allowance provided, the tenant maintain responsibility for payment.

Rent Increases

Any request for an increase in the rent must be submitted in writing to CAHMS at least 60 days before the increase is to be implemented. In order to approve the request for a rent increase, CAHMS must determine that the increase is reasonable, falls within the federal “fair market value” standards for that unit size and location, and is consistent with the agreements between the tenant and property owner and the HAP agreement. Any rent increase request must also be consistent with rents charged to non-assisted tenants.

Termination of HAP Contract and Disapproval of an Owner

The term of the lease and the term of the HAP contract are usually the same. They should begin on the same date and end on the same date. The lease may be terminated by the owner/ landlord, by the tenant, or by mutual agreement of both, in accordance with the terms of the lease, Tenancy Addendum, and HAP contract. The owner/landlord may only terminate the HAP contract by terminating the lease. The HAP contract may be terminated by CAHMS. Under some circumstances, the contract will automatically terminate.

The HAP contract is automatically terminated:

- Termination of the lease.
- If CAHMS terminates assistance to the participant.
- If the participant moves out of the unit.
- 180 calendar days after the last housing assistance payment to the owner/landlord.

CAHMS may terminate the HAP contract due to the following:

- CAHMS has terminated assistance to the individual/family.
- The unit does not meet HQS space standards because of an increase in family size or change in family composition.
- The unit is larger than appropriate for the family size or composition under the program.
- CAHMS determines that there is insufficient funding to support continued assistance.
- The owner has breached the contract.

The assistance payment stops when the lease terminates. The owner/landlord may retain the payment for the month in which the eligible participant moves out. If the owner/landlord has begun eviction proceedings and the eligible participant continues to occupy the unit, CAHMS may continue to make payments until the owner/landlord obtains a judgment or the eligible participant moves out.

