



HOW THE HOUSING CHOICE VOUCHER PROGRAM WORKS

Under the Housing Choice Voucher Program, families may look for a unit that meets program requirements. This includes the unit the family is currently living in, if the family wishes to stay where they are currently living.

The rent plus utilities (gross rent) for the unit **DOES NOT HAVE TO BE** under the Payment Standard provided by the Town, but the unit must meet the Town's Housing Quality Standards, and the owner must be willing to lease the unit under the program requirements.

The Town pays a formula amount toward rent up to a maximum of the estimated Housing Choice Voucher subsidy. The maximum amount the Town may pay is the Town's Payment Standard less 30% of the family's monthly-adjusted income. **The family pays the difference in rent up to 40% of their monthly adjusted income.**

What qualifies a unit under this program so the family knows whether they can lease that unit?

Step 1: Determine whether the rent will be affordable for the family.

First, the Gross Rent the owner is asking for the unit must be determined. The family asks the owner what the owner is asking for rent. This is called Rent to Owner.

Then the family asks which utilities the owner will provide and which must be paid by the family. The family refers to the Utility Allowance Schedule provided by the Town and figures out what the Utility Allowance will be for the utilities not included in the owner's rent.

The Utility Allowance is added to the Rent to Owner to equal the Gross Rent.

The family knows the most the Town will pay toward rent. Apply that to the Gross Rent, and the tenant will pay the difference as long as it does not exceed 40% of their adjusted income.

The family should consider the amount of their income and the bills and other expenses they have to pay each month and determine whether the rent for the unit is affordable.

Step 2: Find out whether the owner will lease the unit under the Section 8 Program.

The owner must be willing to execute an approvable lease for the unit with the family for their portion of rent and must be willing to execute a contract with the Town for the balance of the rent.

The Town has rules and regulations the owner must follow, which are spelled out in the lease and the contract. In the Town of Union, taxes on the property must be current. If they are not current, the owner may enter into an agreement to have the HAP escrowed.

Step 3: Have the unit inspected by the Town.

The unit must pass the Town's Housing Quality Standards. The family and owner will sign the Request for Lease Approval and the owner will propose an unexecuted lease to the Town.

The Town will schedule and conduct an inspection. If the unit does not pass, the owner will be given a list of repairs to make and a deadline to complete the repairs.

Step 4: Execute the paperwork.

If the unit meets Housing Quality Standards, the rent is approvable, and the owner wishes to participate in the program, the family and owner sign the lease and the owner and the Town sign the Housing Assistance Payments Contract. Assistance may then begin.

RENT INCREASES:

The owner can increase the rent at any time on or after the anniversary date of the contract. The amount of rent increase is limited by the Rent Reasonableness Test performed by the Town. This test assures that a fair rent is paid for units selected for participation in the Section 8 Program and the program does not have the effect of inflating rents in the community.

The family will pay most rent increases. If the family determines that the new rent is not affordable, they have the option to move to another unit.

PROS AND CONS:

PRO: The family can rent any unit it thinks is affordable, as long as it passes Housing Quality Standards and the owner is willing to lease to the family under the program. The rent is not limited by the Payment Standard.

CON: If the rent increases, the Town pays its formula amount of rent and the family pays the difference in the increased amount.