

How to Get Started: The Lease-Up Process for LMHA Guide

**Please carefully read over this guide and follow it step by step in sequential order. Do not skim. Please make sure you carefully read over the entire document and then go back and read and follow each step. If you have done this and still have questions and or concerns, please do not hesitate to contact us by phone or email. Questions will not be answered prior to this being done. Thank you.*

1. Requirements for Landlord Participation:

- Must own a rental unit in Jefferson County.
 - Refer to “Notice regarding unpaid State or Local Taxes, Fines, or Assessments Effective May 14, 2014”
- Must not owe any unpaid taxes on the rental property and if taxes are owed then you must be on a current repayment plan.
- File for TIN # if you are a corporation or LLC.

2. Required documentation for Landlord Sign-up (Becoming a Vendor):

- Must complete and sign date a W-9 and Mandatory Direct Deposit ACH form included in the packet.
- Attach a voided check for a Checking account.
- Attach proof of ownership either a copy of the deed or settlement statement for the rental properties that you are listing on the program.
- If applicable attach a copy of the property management contract if Owner is using a property management company or property manager.
- Designate a local rep within an hour driving distance of Louisville, KY Jefferson county to complete new lease papers and lease renewal paperwork and to be present for inspections.
- Please submit all documentation to a Finance team member for review and set-up via email, fax, or mail. Finance’s contact information can be located at the bottom of the Mandatory Direct Deposit ACH form.
- Please allow 3- 5 business days for set-up and your LMHA Owner ID #. Write your LMHA Owner ID# on all lease paperwork and or correspondence for section 8 and a good email for inspections. If you do not receive your LMHA Owner ID# from Finance to put on the new lease papers then please follow back up with Finance and or put “New-Applied.”
- Please keep your contact information current and up to date with Finance.
- Report all changes in ownership and property management to the Landlord Liaison and Finance immediately.
- The City of Louisville Jefferson County Government requires all property owners with rental properties within Louisville Metro to register with The City of Louisville Metro Jefferson County Government effective March 1, 20217.

- Refer to the “Rental Registry” informational sheet in the packet.
- This is not our requirement, but the City of Louisville Metro Jefferson County Government. We are not the same agencies.

3. Participant Eligibility:

- Head of household must be at least 18 years of age or older OR an emancipated minor.
- Legal residency status in the United States.
- Must meet income eligibility for their household composition size.
- Must meet HUD background requirements.
- Tenant family must have a Briefing packet including their Housing Choice Voucher and a blank set of New Lease Papers to search for housing and to start the application and screening process with you.

4. Admission to the HCV Section 8 Program:

- Waiting list
- New Family Orientation
- New Family Eligibility appointment
- Briefing
 - Briefing packet including Housing Choice Voucher, the New Lease Papers, and other information.
 - Searching for a unit on formerly www.gosection8.com. Now www.affordablehousing.com.
- Inspection
- Leased up
- Recertification

5. For More Information:

- Refer to “Section 8 Information for an Owner/Manager” document in the packet.
- Refer to “Landlord and Tenant Legal Resources” document in the packet.
- Refer to “Eviction Process” document in the packet regarding non-payment of the tenant’s rent portion and other lease violations in the packet.
- Refer to “Home Repairs Program” document in the packet.

6. Sign-up, Sign-in, and list and advertise your rental properties on www.affordablehousing.com formerly known www.GoSection8.com:

- Create your username and password, write it down, & keep it in a safe place. We cannot assist you with username and password retrieval LMHA doesn’t own this site. This is provided as a courtesy and option for use. Landlord Support for the site is located on the site please reach out to their designated landlord support email or phone number.
- Remove listings once leased up, add vacant units you have acquired, and list any soon to be vacant or vacant units.

Field Code Changed

- Please contact Affordable Housing’s Landlord Support for technical support if you are having difficulty.
- Determine your rent. Do a rent comparable analysis on your rental property.
 - Please refer to the “FMR” or Payment standards for the current year. These are the maximum allowable rents for the bedroom sizes. If a tenant family became no income and was zero rent this is the maximum, we would pay for them. Refer to the middle column the rents listed on the left-hand side unless the rental unit is in an Exceptional rent area by its census tract number then use the rents on the right-hand side of the middle column.
 - Look up the census tract numbers for your rental unit by going online and using the purple map for the Housing Choice Voucher-Exceptional Rent on LOJIC’s website OR www.census.gov.
 - You may compare the FMR or payment standards with the fair market value rents for your rental properties within a one mile no more than a two-mile radius by utilizing the “Fair Market Rent Estimator” tool under the Landlord section and to ensure that the rent your charging is reasonable and it will pass the first part of the inspection, which will come later in the process.
- Upload pictures of the rental property like you would do onto any other mobile device.
- Once you have successfully listed your unit then you will wait for applicants who have recently received a Briefing packet including an unexpired Housing Choice Voucher and a blank set of (unused not completed) New Lease Papers to contact you with interest.

7. Searching for a Unit to Rent-The Leasing Up Process Begins:

- Screen HCV participants the same way you would your market renters. They must meet your application, screening, and qualification requirements for tenancy and be a desirable tenant.
 - Refer to the “Screening Your Tenant and Deposits” document in the packet material for more information regarding screenings and deposits.
 - We do not screen HCV families nor conduct criminal police record background checks or credit checks, so please make sure you screen every adult listed or will be on the application as a household member. Do not forget to check for previous property owner references and rental history.
 - Have the applicant family complete a written application and pay any applicable application fees.
 - Perform showings according to your policy.

- Make a photocopy of their Housing Choice Voucher or have the HCV family to email or text you a picture of their voucher.
- Sit down with the family, so they can add up their Utility Allowance, then add up their Utility Allowance to the Contract Rent your requesting per month for the rental unit. Do not do this step unless you understand these instructions, can follow them, and know how the exceptions to the vouchers work. Please have the client do this step in front of you face to face.
 - Total Contract Rent per month \$_____ + Utility Allowance \$_____ =Gross Rent.
- Make sure the total Gross Rent above is not over their Max Gross Rent amount listed in BOX 6 of their Housing Choice Voucher.
 - If it is not over, then the Total Contract Rent per month is covered and supported by the voucher and it can be paid in total.
 - If it is over, then the Total Contract rent per month it is not covered and supported by the voucher and it cannot be paid in total then the tenant family does not qualify. Unless you are willing to lower or reduce your total contract rent for the applicant family to qualify. If you agree to reduce your total contract rent, then you cannot ask the Tenant family to pay the difference, because that would be considered a side deal and outside of the LMHA contracts and rules and HUD considers this fraud. In situations like this we work backwards and subtract to determine the Total Contract Rent that can be paid by the voucher, so the property owner can make that determination if they want to reduce the rent or not.
- Make sure the applicant family meets your application and screening process and qualifies for the unit and their Gross Rent total is not over their Max Gross Rent in BOX 6 of their voucher before you approve and accept their application and qualify them for the unit.

8. How to Use the Voucher-Does this Unit Fit My Voucher:

- **Example #1, Renting an Apartment**
 - ❖ Mr. Smith has a 1-bedroom voucher in BOX 1 of his voucher.
 - Box two is the FMR or payment standard the max allowable rent for the 1-bedroom size listed on the FMR for the current year, which his is \$760.
 - ❖ He wants to rent a 2-bedroom unit.
 - ❖ Rent is \$700 a month.
 - ❖ He is responsible for paying the following utilities: Heating, cooking, water heating, other electric, and A/C-all electric fuel type.

- ❖ Water & sewage and Trash collection will be paid by the Owner and the refrigerator and stove will be furnished with the unit by the Owner.
- Refer to his Housing Choice Voucher the Max Gross Rent in BOX 6, \$824.
- Refer to the Utility Chart that says Apartment under Unit Type and using the 1-bedroom column since his voucher size is a 1-bedroom and he is renting a 2-bedroom unit we will use the lesser of the bedroom sizes. Then add up the heating, cooking, water heating, other electric, A/C-all electric fuel types.
 - The Utility Allowance totals to \$119.
- Add for the Gross Rent: Rent \$700 + Utility Allowance \$119=Gross Rent \$819.
- Max Gross Rent, BOX 6 \$824.
 - ✓ LMHA will accept the New Lease Papers.
 - ✓ BOX 3 is what the tenant family will pay once the unit passes inspection.

9. How to Use the Voucher-Does this Unit Fit My Voucher:

- **Example #2, Renting a House**
 - ❖ Ms. Davis has a 3-bedroom voucher.
 - ❖ She wants to rent a 3- bedroom house.
 - ❖ Rent is \$1,125 a month.
 - ❖ She is responsible for paying the following utilities: heating-gas, cooking-gas, water heating-gas, other electric, and A/C. She will be providing her own stove and refrigerator.
 - The Utility Allowance totals to \$292.
- Add for the Gross Rent: Rent \$1,225 + Utility Allowance \$292=Gross Rent \$1,417.
- Max Gross Rent, BOX 6 is \$1,388.
 - X LMHA will not accept the New Lease Papers.
 - The Gross Rent \$1,417 is over the Max Gross Rent, BOX 6 \$1,388.
 - The Rent will have to be reduced by \$29 for LMHA to accept the New Lease Papers lowering the rent to \$1,196. This is the landlord's choice to either accept or reject and if rejected the HCV family will be given a blank new set of New Lease Papers to continue their search.

10. Utility Allowance Charts:

- HCV families will pay between 30% and 40% of their total gross adjusted household monthly income.
- Adjusted meaning after deductions are taken off.
- This is the tenant's rent portion.
- The Utility Allowance they add up will serve as a final deduction helping to further lower their rent and or a Utility Allowance Payment (UAP) if the HCV family qualifies to help pay towards their utility bill.

New Lease Papers Changes Effective 03/01/2023, LMHA will institute the following changes to its leasing process in order to be in line with Federal regulations and HUD guidance:

1) Elimination of model lease

Voucher holders will no longer have a model lease (aka the "LMHA lease") in their briefing packets. Further, the "LMHA lease" will no longer be required, and as of July 1, 2023, will no longer be accepted as the executed lease for voucher holders. Rather, landlords will execute their own lease with assisted tenants and send a copy to LMHA for retention. Please note that the lease must align with and have attached the entire HUD-required Tenancy Addendum. Prospective tenants will have a copy of the Tenancy Addendum and the Tenancy Addendum is available online at <https://www.hud.gov/sites/dfiles/OCHCO/documents/52641A.pdf>. Finally, if a landlord has a model lease for unassisted tenants, the exact same lease must be used for assisted tenants.

2) Changes in document submission

Tenant's briefing packets will contain the Request For Tenancy Approval (RFTA) and a Lead Disclosure form. The tenant will submit the RFTA to LMHA, and if approved, an inspection will be scheduled. The lead disclosure document is provided as a courtesy. If the unit was built before 1978, the form should be completed and retained by the landlord with a copy going to the tenant.

After a unit passes inspection, the landlord and tenant will execute a lease with the above-listed requirements. The start date of that lease, as negotiated between the tenant and landlord, will also serve as the start date for the HAP contract. The HAP contract (<https://www.hud.gov/sites/dfiles/OCHCO/documents/52641.pdf>) is to be completed by the landlord and both the HAP contract and executed lease (with the entire Tenancy Addendum incorporated and attached) must be submitted either electronically to leasepapers@lmha1.org or brought to the Section 8 office: 600 South Seventh Street, Louisville, KY 40203.

New Lease Papers (All areas to be completed by the landlord will be highlighted):

- Request for Tenancy Approval (RTA or RFTA)
 - Landlord completes #2-11 and bottom left-hand side and landlord signs and dates.
 - Tenant completes bottom right-hand side and signs and dates in front of our RAM's.
- Lead Disclosure Form
 - The Lead disclosure document is provided as a courtesy.
 - If the unit was built before 1978, the form should be completed and retained by the landlord with a copy going to the tenant.
- W-9 and Mandatory Direct Deposit only for New Landlords. Send directly to Finance. Do NOT send in with their New Lease Papers mentioned above. Make sure the payee is listed on the Request for Tenancy Approval (RTA or RFTA) if a company a business list that name and the authorized executor signs their name and date. Failure to correctly fill out paperwork results in the wrong Payee being paid by Finance and New Lease Input Staff connecting the wrong Payee to the tenant family for the rental unit. Save delays and LMHA having to correct errors

for you by filling out Vendor set-up paperwork correctly for the correct Payee and writing the Payee on the RFTA. Refer to Step 2 Required Documentation for Landlord Sign-up (Becoming a Vendor).

1. Turning in New Lease Papers:

- Effective 08/09/2021 New Lease Papers will be turned in by the Tenant Family M-TH 8:30am to 4pm only on a first come first serve walk in basis. Tenant family must sign in with the receptionist to be seen and reviewed on the spot for approval.
- If New Lease Papers are rejected the tenant family will be told why and their new lease papers given back to provide the needed info, whether it is the landlord signing and dating off whether they accept or reject a lower or reduced rent for the tenant's family gross rent being over their BOX 6 of their voucher OR missing signatures or forms or corrections being needed. If you choose to reject a reduced or lowered rent due to the voucher not being able to cover and support and pay the rent your requesting in total, please note that all parties will be released from all rental obligations and the tenant family issued a blank set of new lease papers to continue their search.
- If New Lease Papers are accepted and approved, then the new lease papers will be taken and the request for the inspection to be scheduled will be put in.
- Please do not forget to make a photocopy of the New Lease Papers before giving it back to the tenant family to turn in since we take them if accepted and approved and it will be a while before both parties receive a finalized copy back.

2. Two Part Inspection: Rent Reasonableness and Physical Inspection:

❖ **Rent Reasonableness**

- The requested rent that was covered by the voucher must be reasonable when compared to rents charged for similar unassisted units in the area.
- LMHA performs a rent comparable analysis.
- Landlord will be contacted if the rent is not reasonable.
 - An Accept or Reject form will be sent. It is your choice to accept the reduced rent or reject it. If you accept you cannot charge the tenant family the difference, because that would be a side deal and HUD considers that fraud. If rejected, then all parties will be released of all rental obligations and the HCV family will be issued a new set of New Lease Papers to continue their search for housing.
- This is prior to the Initial inspection.

❖ **Physical Inspection**

- LMHA will request that an Initial Type of Inspection be scheduled by The City of Louisville Metro Jefferson County Government's Dept of Codes and Regs once New Lease Papers are approved.

- The rental unit must meet the minimum and or exceed HUD Housing Quality Standards (HQS) and Louisville’s Property Maintenance Code.
- Refer to the “Good Place to Live Booklet”.
- Inspections will be scheduled within 72 hours if a landlord is properly set-up in our system with an email on file.

If the Unit Fails Inspections:

- If the unit fails inspection, then you will be notified by the Inspector at the time of the inspection and a list of items that needs to be corrected will be sent to you.
- If HCV family still wants the unit and you want to move forward then complete all repairs, notify HCV family when complete, and the HCV family will contact our Inspection request line to let us know the unit is now ready and all repairs have been made, and we will put in another request for inspection to be scheduled and another appointment sent out to you.
- If either party does not want to continue after the unit fails inspection, then the HCV family can request a new set of New Lease papers from our Rental Assistance Monitors in New Lease Papers, and we will notify you in writing.

Once the Unit Passes Inspection:

- HCV family is now leased up.
- Please execute your own lease and complete the HAP Contract and make sure that both parties have signed and dated the lease and that you as the landlord have signed and dated the HAP Contract.
- The start date of that lease, as negotiated between the tenant and landlord, will also serve as the start date for the HAP contract.
- The Effective date of the Lease cannot be before the pass date.
- Both the HAP contract and executed lease (with the entire Tenancy Addendum incorporated and attached) must be submitted either electronically to leasepapers@lmha1.org or brought to the Section 8 office: 600 South Seventh Street, Louisville, KY 40203.
- Landlord will collect the amount listed in the HCV family’s BOX 3 based on the negotiated start date of the lease from their carbon copy of their Housing Choice Voucher till both parties receive the Rent Portion letter with the final rental amounts.
- Tenant’s rent portion and HAP will be prorated for the month based on negotiated start date of the lease if it falls on a day other than the first of the month.

- The Rent Portion letter and first HAP payment will be paid within a few weeks of the unit passing inspection.
- Please retain a copy of the lease and HAP Contract for you as the landlord and the tenant family prior to returning to LMHA after unit passes inspection.

11. Recertification

- ❖ Renew the Lease.
 - 2% rent increase, no rounding, and no cents.
 - Annual Type of Inspection.
 - Rent Reasonableness Analysis.
- ❖ Move at the end of the Lease.
 - Certification of Lease Compliance form will be sent to landlord to complete.
 - Cancellation of Lease Agreement with move out date or the lease end.
 - Landlord enforces move out and any hold overs without an approved one- month lease extension.

12. Changes and Early Lease Cancellations (ELC):

- ❖ Income and Household Composition Changes
 - If a decrease both parties will be notified with a new rent portion letter with effective date and rental amounts.
 - Any increases a 30-day notice will be given for the effective date with new rental amounts.
 - Upon Landlord's and LMHA's approval to add adult members. Both parties will be notified in writing of any added or removed household members.
- ❖ Early Lease Cancellations
 - Certification of Lease Compliance will be sent to landlord to complete.
 - Cancellation of Lease Agreement with move out date will be sent to the landlord for approval if the lease is a one-year term.

3. Ending of Assistance:

- Voluntary Withdrawal
- Six months of zero HAP
- Violation of program rules

4. Special Incentives for Landlords for Newly Added Units (Please refer to the new Landlord Incentives in the packet material):

- ❖ **Owner incentive fee**, a one-time \$500 fee payable after the HAP Contract is effective usually paid with the first HAP or shortly after. An additional \$500 for one-bedroom units.

- ❖ **Damage Loss Payments**, accept a reduced security deposit either the lesser of the tenant's rent portion the BOX 3 or \$200 up to one month of the contract rent minus the security deposit. The owner must submit within 30 days of the vacancy the damage loss form and documentation of the damages. LMHA will schedule a post-vacancy inspection of the damages after vacancy.
- ❖ **Vacancy Loss Payments**, vacates unit without notice or approval from Landlord and or LMHA. Re-rent the unit to another HCV family within six months. Demonstrate a good faith effort to rent the unit. Pay up to two months of the HAP Contract during the vacancy minus the security deposit after damages.

5. In Summary:

- ✓ **Voucher**
 - **BOX 6**
 - **BOX 3**
- ✓ **The Utility Chart**
- ✓ **New Lease Papers**
- ✓ **Rent Reasonableness**
- ✓ **Physical Inspection within 72 hours if properly set-up in our system with an email on file**
- ✓ **Special Incentives for New Units**
 - **Owner Incentive**
 - **Damage Loss Payment**
 - **Vacancy Loss Payment**

Our website, www.lmha1.org.

If you have any questions about inspections and incentives, please contact:

- ❖ Mark Roseberry at roseberry@lmha1.org or 502-569-4180.

New Landlords with questions please contact:

- ❖ Rebekah Aman-James at aman@lmha1.org or 502-569-6948.