

## Chapter 8

### HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS

[24 CFR 982 Subpart I and 24 CFR 982.507]

#### INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits the PHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and PHA-established requirements. HQS inspections are required before the Housing Assistance Payments (HAP) Contract is signed and at least annually during the term of the contract.

HUD also requires PHAs to determine that units rented by families assisted under the HCV program have rents that are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and PHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections the PHA will make and the steps that will be taken when units do not meet HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies the PHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

## **PART I: PHYSICAL STANDARDS**

### **8.I.A GENERAL HUD REQUIREMENTS**

#### **HUD Performance and Acceptability Standards**

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment
- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors

A summary of HUD performance criteria is provided in Attachment 8-1. Additional guidance on these requirements is found in the following HUD resources:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

## **EXHIBIT 8-1: OVERVIEW OF HUD HOUSING QUALITY STANDARDS**

Note: This document provides an overview of HQS. For more detailed information see the following documents:

- 24 CFR 982.401, Housing Quality Standards (HQS)
- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

### **Sanitary Facilities**

The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.

### **Food Preparation and Refuse Disposal**

The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary manner.

### **Space and Security**

The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or living/sleeping room for each two persons.

### **Thermal Environment**

The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.

### **Illumination and Electricity**

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference.

### **Structure and Materials**

The dwelling unit must be structurally sound. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

## **Interior Air Quality**

The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one openable window or other adequate ventilation. Any sleeping room must have at least one window. If a window was designed to be opened, it must be in proper working order.

## **Water Supply**

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

## **Lead-Based Paint**

Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings. Owners must:

- Disclose known lead-based paint hazards to prospective tenants before the lease is signed,
- provide all prospective families with "Protect Your Family from Lead in Your Home",
- Stabilize deteriorated painted surfaces and conduct hazard reduction activities when identified by the PHA
- Notify tenants each time such an activity is performed
- Conduct all work in accordance with HUD safe practices
- As part of ongoing maintenance ask each family to report deteriorated paint.

For units occupied by environmental intervention blood lead level (lead poisoned) children under six years of age, a risk assessment must be conducted (paid for by the PHA). If lead hazards are identified during the risk assessment, the owner must complete hazard reduction activities.

See HCV GB p. 10-15 for a detailed description of these requirements. For additional information on lead-based paint requirements see 24 CFR 35, Subparts A, B, M, and R.

## **Access**

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

## **Site and Neighborhood**

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

## **Sanitary Condition**

The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

## **Smoke Detectors**

Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

## **Hazards and Health/Safety**

The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

## **Tenant Preference Items**

HUD requires the PHA to enforce minimum HQS but also requires that certain judgments about acceptability be left to the family. For example, the PHA must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic condition of the facilities is acceptable. Attachment 8-2 summarizes those items that are considered tenant preferences.

## **Modifications to Provide Accessibility**

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.[24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

### PHA Policy

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to the PHA for review.

Any and all areas designated to accommodate persons with a disability must be maintained so that ease of use is maintained at all times.

## **8.I.B. ADDITIONAL LOCAL REQUIREMENTS**

The PHA may impose additional quality standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. HUD approval is required if more stringent standards are imposed. HUD approval is not required if the PHA additions are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

### **Thermal Environment [HCV GB p.10-7]**

The PHA must define a "healthy living environment" for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

#### PHA Policy

The heating system must be capable of maintaining an interior temperature of 70 degrees Fahrenheit measured at a point 3' above the floor and more than 3' from an outside wall.

### **The PHA adheres to the acceptability criteria in the program regulations with the additions described below:**

#### Sanitation and Storage

Any accumulations of old tires, batteries, lumber, garbage, or debris on the property including the garage, and the yard will be unacceptable. Automobiles that are unlicensed, up on blocks, have broken windows or flat tires are unacceptable.

#### Grading and Drainage

All properties shall be filled (graded) and maintained to prevent the accumulation of standing water. Paved sidewalks and driveways that are deteriorated settled or heaved and pose a safety hazard to residents shall be unacceptable. Large potholes and ruts in gravel driveways will be unacceptable, as will accumulations (piles) of earth, gravel, broken concrete, and other material.

#### Trees and Plant Material

Any tree growing in close proximity to a structure so that it is doing damage to the structure (foundation, siding, roofing, porch, garage) shall have the tree and stump removed. Tree branches from trees away from the structure but doing damage to the structure shall be removed.

Overgrown shrubbery or bushes encroaching on driveways, sidewalks, porches, or the structure shall be cut back or removed. Any accumulation of noxious weeds on the property shall be removed.

### Accessory Structures and Fences

Accessory structures and fences that are severely deteriorated or in danger of collapse shall be torn down and removed from the site. Accessory structures and fences shall be kept and maintained in a good state of repair or they will be unacceptable.

### Foundation

Any hole or penetration through the foundation wall revealing daylight will be unacceptable. Wood support posts rotted away at the bottom from moisture will be unacceptable, as will severely deteriorated joists or beams.

### Wall and Exterior Surfaces

Missing or severely deteriorated sections of exterior siding trim, soffit, or fascia will be unacceptable. In addition, siding, trim, soffit, and fascia must be weather tight and properly installed. Any opening or penetration allowing rodents or insects to enter will be unacceptable.

### Roofing. Gutters. and Chimneys

Missing sections of roofing will be unacceptable. Severely deteriorated, worn, buckling, or curling roofing will be unacceptable. Chimneys with missing sections of brick or in danger of collapse will be unacceptable. If gutters are present, they must be free and clear of any and all debris, thus allowing them to function as intended. The gutters must also be free of any damage that would prevent them from functioning correctly.

### Porches. Steps. and Railings

All exterior structurally deficient porches, steps, and railings will be unacceptable. All missing handrails will be unacceptable. Both interior and exterior steps and railings must be constructed within the *Wisconsin Uniform Dwelling Code(UDC), Chapter Comm 21.04(3)*.

### Stairs and Railings

All stairways with four (4) or more risers, regardless of location shall require a handrail. Both interior and exterior steps and railings must be constructed within the *Wisconsin Uniform Dwelling Code(UDC), Chapter Comm 21.04(3)*.

## Windows

All open-able windows must have a screen in good repair. Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced. Windows must be weather-stripped as needed to ensure a weather-tight seal. If the window is designed to open then it must open as intended, the window must also stay open without the use of a prop. If the window is a single pane window it is required to have a storm window. If the window is a double pane window, it does not require a storm window.

## Doors

All doors (except out swinging and insulated doors) must have a storm door with screen in good repair. All storm doors must have a self closing device. All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.

## Interior Doors and Trim

Missing, loose, or inoperative doorknobs will be unacceptable. Doors must be in good working order. All door jambs, and door trim must be in good condition. All interior doors must have no holes, have all trim intact, and be open able without the use of a key.

## Walls and Ceilings

Walls and ceilings shall be in a state of good repair. Any damage and/or missing sections of plaster will be unacceptable. Severely soiled walls and ceilings or walls and ceilings in severe need of paint will be unacceptable. In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced. Tub/shower surrounds shall be impervious to water. Missing sections or missing tile in tub/shower surrounds and buckled or deteriorated sections of tub/shower surrounds will be unacceptable.

## Floors

Floors shall be kept in a good state of repair and so maintained as to permit them to be kept clean and sanitary. Severely soiled carpets will need to be replaced if it is deemed cleaning will not properly leave the floors in a sanitary condition. Flooring must be free of any damage, and may not be deteriorated to the point of presenting a trip hazard. All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be resecured and made level. If they cannot be leveled, they must be replaced. All floors must be in a finished state. Raw wood or unsealed concrete is not permitted. All floors should have some type of base shoe, trim, or sealing for a "finished look." Vinyl base shoe is permitted.



### Interior Sanitation and Storage

Any accumulations of lumber, garbage, or debris in the unit, a common hallway, in the basement, will be unacceptable. Excessive storage preventing a safe walkway will be considered unacceptable. The inspector will make a determination if whether or not they consider the interior air quality to be acceptable or not. The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit.

### Toilet and Bath Facilities

Leaky or heavily dripping faucets will need be unacceptable. All sinks and commode water lines must have shut off valves, unless faucets are wall mounted. All worn or cracked toilet seats and tank lids that pose a cutting hazard must be replaced and toilet tank lid must fit properly. All sinks must have functioning stoppers.

### Plumbing

Any tub, shower, toilet, sink, wash machine, or laundry sink that drains across a basement floor to a floor drain is unacceptable. All sump pumps connected to the sanitary sewer shall be unacceptable. All sump pumps must have an approved and appropriate cover. Inadequate or very low water pressure will be unacceptable.

### Exterior Paint

All exterior surfaces including accessory structures and fences with peeling paint regardless of occupancy or location of the unit being evaluated will be unacceptable. All exterior surfaces including accessory structures and fences in severe need of paint or replacement items such as siding, windows, or doors that have not been painted will be unacceptable.

### Interior Paint

Interior surfaces that are severely soiled or are in severe need of paint will be unacceptable.

### Smoke Detectors

Wisconsin Administrative code, Section ILHR 57 .16( 1) states: the owners of residential occupancies "shall install at least one smoke detector: 1. In the basement; 2. At the head of every open stairway; 3. At the door to each floor level leading to every enclosed stairway; and 4. Either in each sleeping area of each living unit or elsewhere in the unit within six feet from the doorway of each sleeping area and not within a kitchen."

## Security

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

## Heating Systems and Water Heaters

Adopt City of Green Bay Housing Standards 23.21 (3) Heating Facilities.

### (3) HEATING FACILITIES.

(a) Every dwelling unit shall have supplied heating facilities; and such facilities shall be properly installed, maintained in good working condition, and capable of adequately heating all habitable rooms, bathrooms, and toilet rooms contained therein or intended for use by the occupants thereof to a temperature of at least 70 degrees F, measured 3' above the floor level, when the outside temperature is at or above -15 degree F. A dwelling unit shall contain a sufficient number of chimney outlets to permit the occupants, through the use of space heaters furnished by the owner, to adequately heat all habitable rooms, bathrooms, and toilet rooms contained therein to a temperature of at least 70 degrees F, measured at least 3' above the floor level, when the outdoor temperature is at or above -15 degrees F. This provision shall not be interpreted to permit the use of space heaters where such use is prohibited by either the City Building or Heating Code or the State Building and heating, Ventilating and Air Conditioning Codes when applicable. Every central heating system shall comply with the City Building and Heating Codes and the State Building and Heating, Ventilating and Air Conditioning Codes when applicable. It shall also comply with the following requirements:

1. The central heating unit shall be in good operating condition.
2. Every heat duct, steam pipe, and hot water pipe shall be free of leaks and shall function so that an adequate amount of heat is delivered where intended.
3. Every seal between the sections of a warm air furnace shall be tight, so noxious gases will not escape into heat ducts.

(b) Every space heater shall comply with the City Building and Heating Codes and the State Building and Heating, Ventilating, and Air Conditioning Codes, when applicable, and with all of the following requirements:

1. No space heater burning solid, liquid, or gaseous fuels shall be a portable type.
2. Every space heater burning solid, liquid, or gaseous fuels shall be properly vented.
3. Every coal-burning /oil-burning space heater shall have a fire-resistant panel beneath it.
4. The location of space heaters, the insulation of walls and ceilings close to such heaters, and the construction, installation, and guarding of smoke pipes and well or ceilings through which they go shall be in accordance with the Heating Code of the City.

## Electrical System

All electrical junction boxes shall have an approved cover. All splices in electric wiring (except knob and tube) shall be made in an approved junction box. All interior and exterior stairways shall be supplied with a light fixture on a switch that allows for proper illumination. All basements shall have at least one working light fixture.

Every kitchen must have a minimum of 2 electrical outlets in usable locations and a ceiling light.

Every bathroom must contain a minimum of one permanent light fixture and one wall receptacle. Units that are unacceptable because they lack a wall receptacle will be required to install a GFI protected receptacle..

## General Purpose/Sleeping Rooms

Adopt City of Green Bay Housing Standards 23.22 Minimum Space, Use, and Location Requirements.

23.22 MINIMUM SPACE, USE, AND LOCATION REQUIREMENTS. No person shall occupy or let to another for occupancy any dwelling or dwelling unit for the purpose of living therein, which does not comply with the following requirements:

(1) DWELLING UNIT TO BE OCCUPIED BY ONE FAMILY. (Rep. & Rec. GO 15-93) No dwelling unit shall be occupied by more than one family.

(2) MINIMUM FLOOR AREA FOR DWELLING UNIT. Every dwelling unit shall contain at least 150 sq. ft. of floor space for the first occupant thereof and at least 100 additional sq. ft. of floor space for every additional occupant thereof, the floor space to be calculated on the basis of total habitable room area.

(3) MINIMUM FLOOR AREA FOR SLEEPING PURPOSES. Every room occupied for sleeping purposes shall contain at least 70 sq. ft. of floor space and 490 cu. ft. of air space.

(4) ARRANGEMENT OF SLEEPING, BATH, AND TOILET ROOMS. No dwelling or dwelling unit containing two or more sleeping rooms shall be so arranged that access to a bathroom or toilet room intended for use by the occupants of more than one sleeping room can be had only by going through another sleeping room; nor shall room arrangements be such that access to a sleeping room can be had only by going through another sleeping room or a bathroom or toilet room. Rooms that are used for exiting or travel within the unit such as foyers, entrance hallways or hallways to other parts of the unit will not be counted as sleeping rooms.

(5) WHEN BASEMENT SPACE MAY BE HABITABLE. No basement space shall be used as a sleeping room or dwelling unit unless such sleeping room or dwelling unit is in conformity with

existing City or State Building Codes and complies with the following requirements:

- (a) The total window area in each room shall be at least equal to the minimum window area required in 23.21(1), Green Bay Municipal Code.
- (b) Such required minimum window area shall be located entirely above the grade of the adjoining ground.
- (c) The total openable window area in each room shall be at least equal to the minimum required under 23.21(1), Green Bay Municipal Code, unless there is supplied some other approved ventilating device
- (d) Every habitable room in a basement shall be at least 7'6" high from the floor to the ceiling; and the ceiling shall be at least 4' above the outside ground grade level. The walls and floors shall be damp-proof and waterproof.

(6) OCCUPANTS TO HAVE ACCESS TO SANITARY FACILITIES. Every occupant of every dwelling shall have unrestricted access to a toilet and bath and to a kitchen sink or lavatory located within that dwelling.

(7) CEILING HEIGHT WITH RESPECT TO FLOOR AREA. At least one-half of the floor area of every habitable room shall have a ceiling height of at least 7'; and the floor area of that part of any room where the ceiling height is less than 5' shall not be considered in computing the total floor area of the room *for* the purpose of determining the maximum permissible occupancy thereof

In addition, each habitable room must have a minimum of one ceiling light and one wall receptacle; or two wall receptacles. Receptacles in ceiling or wall light fixtures will not be counted as the required additional wall receptacle. Receptacles at the wall switch will not be counted as the required additional wall receptacle.

### **Modifications**

Extension for repair items not required by HQS will be granted for modifications/adaptations to the unit if agreed to by the tenant and landlord. PHA will allow execution of the HAP contract if unit meets all requirements and the modifications do not affect the livability of the unit.

### **8.I.C. LIFE THREATENING CONDITIONS [24 CFR 982.404(a)]**

HUD requires the PHA to define life threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life threatening conditions within 24 hours of PHA notification.

#### PHA Policy

The following are considered life threatening conditions:

Any condition that jeopardizes the security of the unit

Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

Natural or LP gas or fuel oil leaks

Any electrical problem or condition that could result in shock or fire

Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.

Conditions that present the imminent possibility of injury

Obstacles that prevent safe entrance or exit from the unit

Absence of a functioning toilet in the unit

In the situation whereas a smoke detector is not functioning and it is the ONLY smoke detector on that floor of the unit, the situation may then be considered a life threatening situation,

If an owner fails to correct life threatening conditions as required by the PHA, the housing assistance payment will be abated and the HAP contract will be terminated. See 8-II-G.

If a family fails to correct a family caused life threatening condition as required by the PHA, the PHA may terminate the family's assistance. See 8-II.H.

To enforce compliance of the repair, a follow-up inspection will be scheduled. If it is found that the smoke detector is not repaired, and there is no operational smoke detector on each individual level of the unit, the owner may be turned over to the corresponding municipality where a municipal court citation may be issued.

## **8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]**

### **Family Responsibilities**

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear and is readily apparent. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

### **Owner Responsibilities**

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

## **8-I.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225]**

If a PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, the PHA must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from the PHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the "hazard reduction" as required, the dwelling unit is in violation of HQS and the PHA will take action in accordance with Section 8-II.G.

PHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

## **8-I.F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.403]**

If the PHA determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.

## **PART II: THE INSPECTION PROCESS**

### **8-II.A. OVERVIEW [24 CFR 982.405]**

#### **Types of Inspections**

The PHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections.* The PHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract.
- *Annual Inspections.* HUD requires the PHA to inspect each unit under lease at least annually to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.
- *Special Inspections.* A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.
- *Quality Control Inspections.* HUD requires that a sample of units be reinspected by a supervisor or other qualified individual to ensure that HQS are being enforced correctly and uniformly by all inspectors.
- *Emergency Inspections.* This inspection will be done within 24 hours of notice of a life threatening condition.

#### **Inspection of PHA-owned Units [24 CFR 982.352(b)]**

The PHA must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in a PHA-owned unit. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of each inspection to the family and the PHA. The independent agency must be approved by HUD, and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

#### **Inspection Costs**

The PHA may not charge the family or owner for unit inspections [24 CFR 982.405(e)]. In the case of inspections of PHA-owned units, the PHA may compensate the independent agency from ongoing administrative fee for inspections performed. The PHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

#### Policy:

The owner will be allowed 1 re-inspection for repair work to be completed. A \$50 fee will be charged for a 2<sup>nd</sup> re-inspection and a \$100 fee will be charged for a 3<sup>rd</sup> re-inspection. The fee is due before an inspection will be scheduled.

## **Notice and Scheduling**

The family must allow the PHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

### PHA Policy

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 5:30 p.m. Generally inspections will be conducted on business days only. In the case of a life threatening emergency, the PHA will give as much notice as possible, given the nature of the emergency.

## **Owner and Family Inspection Attendance**

HUD permits the PHA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

### PHA Policy

When a family occupies the unit at the time of inspection an adult ( adult is defined as 18 years of age or older ) family member or another adult designated by the family must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.

At initial inspection of a vacant unit, the PHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

## **8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]**

### **Timing of Initial Inspections**

HUD requires the unit to pass HQS before the effective date of the lease and HAP Contract. HUD requires PHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). For PHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

### PHA Policy

The PHA will strive to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).



## **Inspection Results and Re-inspections**

### PHA Policy

If any HQS violations are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by the PHA for good cause. The PHA will strive to re-inspect the unit within 5 business days of the date the owner notifies the PHA that the required corrections have been made.

If the time period for correcting the deficiencies (or any PHA-approved extension) has elapsed, or the unit fails HQS at the time of the re-inspection, the PHA will notify the owner and the family that the unit has been rejected and that the family may search for another unit. The PHA may agree to conduct a second re-inspection, for good cause, at the request of the family and owner upon payment of the \$50 re-inspection fee.

Following a failed re-inspection, the family may submit a new Request for Tenancy Approval for the unit if the family has not found another unit by the time the owner completes all repairs and the family continues to wish to live in the unit.

## **Utilities**

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

### PHA Policy

If utility service is not available for testing at the time of the initial inspection, the PHA will allow the utilities to be placed in service after the unit has met all other HQS requirements. The PHA will re-inspect the unit to confirm that utilities are operational before the HAP contract is executed by the PHA.

## **Appliances**

### PHA Policy

If the family is responsible for supplying the stove and/or refrigerator, the PHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by the PHA. The PHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

## **8.II.C. ANNUAL HQS INSPECTIONS [24 CFR 982.405(a)]**

### **Scheduling the Inspection**

Each unit under HAP contract must have an annual inspection no more than 12 months after the most recent inspection.

#### PHA Policy

If an adult family member or adult designee cannot be present on the scheduled date, the family should request that the PHA reschedule the inspection within 2 business days. The PHA and family will agree on a new inspection date that generally should take place within 5 business days of the originally-scheduled date. The PHA may schedule an inspection more than 5 business days after the original date for good cause.

If the family misses the first scheduled appointment without requesting a new inspection date, the PHA will not automatically schedule a second inspection. If the family misses two scheduled inspections without PHA approval, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

## **8-II.D. SPECIAL INSPECTIONS [HCV GB p. 10-30]**

The PHA will conduct a special inspection if the owner, family, or another source reports HQS violations in the unit.

#### PHA Policy

During a special inspection, the PHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled the PHA may elect to conduct a full annual inspection.

## **8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b), HCV GB p. 10-32]**

HUD requires a PHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, annual, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

## **8.II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT**

### **Notification of Corrective Actions**

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, the PHA will determine whether or not the failure is a life threatening condition.

#### PHA Policy

The PHA will not determine whether the family or owner is responsible, but will instead determine if the repair is a requirement or a suggestion. (Eff. 4/21/08)

When life threatening conditions are identified, the PHA will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the PHA's notice.

When failures that are not life threatening are identified, the PHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation and a time frame within which the failure must be corrected. Generally not more than 30 days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any PHA-approved extension), the owner's HAP will be abated in accordance with PHA policy (see 8-II.G.).

### **Extensions**

For conditions that are life-threatening, the PHA cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, the PHA may grant an exception to the required time frames for correcting the violation, if the PHA determines that an extension is appropriate [24 CFR 982.404].

#### PHA Policy

Extensions will be granted in cases where the PHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not available.
- A repair cannot be completed because of weather conditions.
- A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved

sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

### **Reinspections**

#### PHA Policy

The PHA will conduct a reinspection immediately following the end of the corrective period, or any PHA approved extension.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, the PHA will send a notice of abatement to the owner and tenant or in the case of family caused violations, a notice of termination to the family, in accordance with PHA policies. If the PHA is unable to gain entry to the unit in order to conduct the scheduled re-inspection, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance.

### **8.II.G. ENFORCING OWNER COMPLIANCE**

If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA must take prompt and vigorous action to enforce the owner obligations.

#### **HAP Abatement**

If an owner fails to correct HQS deficiencies by the time specified by the PHA, HUD requires the PHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated.

#### PHA Policy

The PHA will make all HAP abatements effective the first of the month following the expiration of the PHA specified correction period (including any extension).

The PHA will make every effort to inspect abated units within 10 business days (Eff. 4/21/08) of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

#### **HAP Contract Termination**

The PHA must decide how long any abatement period will continue before the HAP contract will be terminated. The PHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV GB p. 10-29] and must give the owner reasonable notice of the termination. The PHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

#### PHA Policy

The maximum length of time that a HAP may be abated is 90 days. However, if the owner completes corrections and notifies the PHA before the termination date of the

HAP contract, the PHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Reasonable notice of HAP contract termination by the PHA is 30 days.

#### **8.II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]**

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the PHA (and any extensions), the PHA will terminate the family's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

## **PART III: RENT REASONABLENESS [24 CFR 982.507]**

### **8-III.A. OVERVIEW**

No HAP contract can be approved until the PHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

#### **PHA-owned Units [24 CFR 982.352(b)]**

In cases where an HCV family is receiving assistance in a PHA-owned unit, the PHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of the rent reasonableness determination to the family and the PHA. The independent agency must be approved by HUD, and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

### **8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED**

#### **Owner-initiated Rent Determinations**

The PHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. The PHA (or independent agency in the case of PHA-owned units) will assist the family with the negotiations upon request. At initial occupancy the PHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

#### PHA Policy

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, the PHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in

comparison to other units on the premises the PHA will consider unit size and length of tenancy in the other units.

The PHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after the PHA's receipt of the owner's request or on the date specified by the owner, whichever is later.

### **PHA- and HUD-Initiated Rent Reasonableness Determinations**

HUD requires the PHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 5 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct the PHA to make a determination at any other time. The PHA may decide that a new determination of rent reasonableness is needed at any time.

#### PHA Policy

In addition to the instances described above, the PHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the PHA determines that the initial rent reasonableness determination was in error or (2) the PHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

## **8-III.C. HOW COMPARABILITY IS ESTABLISHED**

### **Factors to Consider**

HUD requires PHAs to take into consideration the factors listed below when determining rent comparability. The PHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services, and utilities included in the rent

## **Units that Must Not be Used as Comparables**

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

## **Rents Charged for Other Units on the Premises**

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting the PHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the PHA information regarding rents charged for other units on the premises.

## **8-III.D. PHA RENT REASONABLENESS METHODOLOGY**

### **How Market Data is Collected**

#### PHA Policy

The PHA will collect and maintain data on market rents in the PHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 12 months old will be eliminated from the database.

### **How Rents are Determined**

#### PHA Policy

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. The PHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, the PHA may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).



Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rents units are presumed to have functioning roofs).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of \$500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows:  $\$500 \times 11 \text{ months} = 5500/12 \text{ months} = \text{actual monthly rent of } \$458$ .

The PHA will notify the owner of the rent the PHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. The PHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 30 business days of the PHA's request for information or the owner's request to submit information.

## **EXHIBIT 8-2: SUMMARY OF TENANT PREFERENCE AREAS RELATED TO HOUSING QUALITY**

Note: This document provides an overview of unit and site characteristics and conditions for which the family determines acceptability. For more detailed information see the following documents:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Provided the minimum housing quality standards have been met, HUD permits the family to determine whether the unit is acceptable with regard to the following characteristics.

- *Sanitary Facilities.* The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.
- *Food Preparation and Refuse Disposal.* The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. When the owner is responsible for providing cooking appliances, the owner may offer a microwave oven in place of an oven, stove, or range only if other subsidized and unsubsidized units on the premises are furnished with microwave ovens only. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.
- *Space and Security.* The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.
- *Energy conservation items.* The family may determine whether the amount of insulation, presence of absence of storm doors and windows and other energy conservation items are acceptable.
- *Illumination and Electricity.* The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.
- *Structure and Materials.* Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.
- *Indoor Air.* Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family's needs. However, if screens are present they must be in good condition.
- *Sanitary Conditions.* The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.

- *Neighborhood conditions.* Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit.

Families have no discretion with respect to lead-based paint standards and smoke detectors.