

***NORTHWEST MINNESOTA MULTI-COUNTY  
HOUSING AND REDEVELOPMENT AUTHORITY***

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Office Hours: 8:00 a.m. to 4:30 p.m.  
Monday thru Friday

## INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD) provides Section 8 vouchers as a form of rent subsidy (rent assistance) to low income individuals and families. Northwest Minnesota Multi-County Housing and Redevelopment Authority (HRA) administers this program in Kittson, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau Counties with a limited number of vouchers in the city limits of Crookston and East Grand Forks, and Lake of the Woods County.

The Section 8 Voucher Program is governed by federal regulations. HUD sets the income guidelines for eligibility and sets the fair market rent rates.

The Process for Receiving Rent Assistance Includes:

1. Family completes an application with our office
2. If initially eligible, family's name is put on the waiting list
3. When family's name comes to the top of the waiting list, an HRA staff member meets with the family and determines their final eligibility.
4. Eligible family is issued a voucher and initially has 60 days to find a suitable unit. One 60 day extension to find a unit can be requested by the family
5. Family finds a suitable unit and discusses the rent assistance program with owner.
6. Owner has the responsibility to
  - a. Check references
  - b. Make sure unit meets HUD's Inspection Standards (See Pages 8-9)
  - c. Determine rent amount
  - d. Owner may ask HRA for previous landlord information, if available
7. HRA staff member inspects unit
8. If unit is suitable and owner approves of family, lease and contract are signed
9. HRA completes paperwork by the 20<sup>th</sup> of the month
10. Family pays 30-40% of the adjusted income towards rent and utilities. HRA determines family's portion of rent
11. Rent assistance begins. The HRA will determine the family's portion of rent, and the HRA will pay its portion directly to the owner either by check or automatic payment
12. Rent assistance only begins on the first of the month and will continue until the tenant vacates, the unit no longer passes inspection, the tenant violates the lease or voucher, or it is determined by our office that the tenant's portion of the rent is the contract rent
13. Family must fulfill the one year term of lease before they can move to a different unit. If the family chooses to move in violation of the lease, they are taken off the rent assistance program and cannot make application again for 12 months

## **OWNER INFORMATION & RESPONSIBILITIES**

State and federal laws prohibit housing discrimination based on color, creed, disability, familial status, marital status, national origin, race, receipt of public assistance, religion, sex, and sexual orientation.

### **Reference Check**

It is the owner's responsibility to check rental or credit references. The owner is NOT required to do this, however, it is advised. The HRA does not recommend any family nor do we do a rent or credit check of a family. We may provide you with previous landlord information, if available, and will run a criminal background check for of all household members age 18 and older. If any adult member has committed any violent criminal activity or has been involved with illegal drugs in the past three years, the family would be denied participation in the Section 8 Voucher Program unless there are extenuating circumstances on a case by case basis. If an adult is a registered sex offender, the HRA will not provide rental assistance.

### **Security Deposit**

It is the owner's responsibility to collect the security deposit from the family. The HRA does NOT pay any portion of the security deposit. The security deposit cannot be any more than charged to a family that is not on the Section 8 Voucher Program and is normally not more than one month's rent. The owner determines what the security deposit will be keeping in mind the above two things.

According to state law, the security deposit must be returned, with interest, within 21 days after the family vacates. If the owner will not be returning the security deposit or the full amount of the deposit, the owner must write a letter to the family telling them why the deposit will not be returned. If this is not done within 21 days, the family has the right to have the entire security deposit returned, with interest, according to state law.

### **Payment Standards (Rent Amounts)**

HUD publishes the fair market rent (FMR) for each county in the United States every year. The HRA then determines the payment standard for the Section 8 Voucher Program for each county using 90% to 110% of the published FMR. This is the amount that the rent and utilities can be. It does not mean that is what the rent will be.

## **Rent Reasonableness**

HUD requires that the HRA prove the rent for the unit is reasonable for the county/city that it is located in. The HRA evaluates:

1. Location
2. Quality
3. Size
4. Unit type (house, apartment, duplex, mobile home)
5. Age
6. Amenities
7. Housing services
8. Maintenance
9. Utilities

The HRA must compare the unit with another comparable unassisted unit in the area. If a comparable unit in the area is renting for less than what the owner is asking, the HRA would inform the owner that the rent is not reasonable. If the rent is comparable for the unit, the rent would be reasonable.

## **Determining the Contract Rent Amount**

The amount of contract rent is determined by the following:

1. Rent amount requested by owner
2. HRA's payment standards and utility allowance
3. Rent reasonableness

**THE OWNER MUST NOT CHARGE A SECTION 8 VOUCHER FAMILY MORE RENT THAN THAT FOR A FAMILY ON THE PRIVATE MARKET.**

## **Internal Revenue Requirements**

The IRS requires that the owners provide taxpayer identification numbers or social security numbers to the HRA. At the end of each year, the HRA will complete the IRS Form 1099 for the owner and the IRS.

## **Advertising**

Once a family has vacated the unit, the rental assistance does not remain in the unit under the Section 8 Voucher Program as the family is subsidized, not the unit. For this reason, it is misleading to advertise the unit as HUD approved. You may advertise as "will accept HUD rental assistance." If you would like, the HRA can place your contact information on a rental listing of available units in our service area.

## TENANT'S RESPONSIBILITIES

The tenant has responsibilities to meet the terms and conditions of the voucher and lease. The eligible family is issued a voucher and initially has 60 days to find a suitable unit. A 60 day extension to find a unit can be requested by the family. After that, the voucher will expire. Some of the terms of the voucher are listed below.

- Supply information on citizenship or eligible immigration status
- Verify social security numbers
- Notify HRA when a family member is no longer living in the unit
- Notify the HRA when family is away from the unit for an extended period of time
- Allow the HRA to inspect the unit before rent assistance begins and annually thereafter
- Notify the HRA and the owner in writing before moving out or terminating the lease
- The unit must be the family's only residence
- Notify the HRA in writing of the birth, adoption, or court-awarded custody of a child
- Request HRA and owner approval to add any other family member to the unit
- Notify the HRA in writing if any family member no longer lives in the unit.
- Give the HRA a copy of any owner eviction notice
- Pay utility bills as stated in the lease
- Any information the family supplies must be true and complete
- The family must not own or have any interest in the unit (unless leasing a manufactured home space)
- Must not commit any serious or repeated violation of the lease
- Must not commit fraud, bribery, or any other corrupt or criminal act
- Must not engage in drug-related criminal activity or violent criminal activity
- Must not sublease or transfer the unit
- Must not receive rent assistance while receiving another housing subsidy for the same unit or a different unit.
- Must not damage the unit or premises other than normal wear and tear
- Must not rent a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the HRA has approved a reasonable accommodation for a family member who is a person with disabilities.
- Must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment by other residents

## **LEASE**

The lease is a signed agreement *between the landlord and the tenant*. It must be signed before rental assistance will begin.

The lease must contain:

1. Head of household and other household members
2. Owner's name
3. Address of unit
4. Contract rent
5. Date lease begins
6. Initial term of the lease
7. How the lease is renewed
8. Security deposit amount
9. Who pays for which utilities and who supplies appliances
10. Reasons for termination (use or sale of illegal drugs must be included)

### **People Living in the Household**

People living in the household are named on the lease. If you know or suspect additional people living in the household, contact the HRA. The HRA policy states families cannot have a person stay in the rental unit more than 14 consecutive days or 30 days total in a year.

### **Term of Lease**

The initial term of the lease is for one year. After the first year of the lease has been completed, the lease continues on a month to month basis unless either the owner or tenant terminates the lease by giving a proper 30 day written notice, or longer, as stated in the lease.

## **CONTRACT**

The contract is a signed agreement between the owner and Northwest MN Multi-County HRA. The contract contains the following information:

1. Name of family
2. Address of unit rented
3. Date contract begins
4. Amount the HRA pays per month
5. Who pays what utilities

### **Rent Increase**

The owner can ask for a rent increase after the first year of the lease, and thereafter only once a year. According to HUD regulations, the owner must request the increase in writing, and it must be sent to the family and the HRA **60 days** prior to the date the increase is to take effect.

The amount of the increase must be rent reasonable and will be approved in accordance with the HRA's budget.

### **Receiving the Rent Assistance Payment Each Month**

When the owner receives the rent assistance payment each month, the owner is saying that the family is still living in the unit. If the family moves, the owner **must** tell the HRA as soon as possible. If a tenant has vacated, and a rent assistance payment has been sent out, the owner will need to reimburse the HRA.

Also, by receiving the rent assistance payment, the owner is saying that the unit meets HUD's housing quality standards (HQS) or passes inspection. The unit must be safe, decent, and sanitary. See Appendix A, B, and C for a list of some of the HQS items.

The HRA offers automatic payment of the rent directly into your bank account. Please complete the authorization form if you are interested.

Rent assistance checks are sent on the last day of the month. If the first day of the month is a Sunday or a holiday, the check should arrive the following day. Automatic payments are deposited into bank accounts on the first of each month.

### **Term of Contract with the HRA**

The term of the contract begins when the lease begins. When the family vacates the unit, the contract terminates.

## **APPENDIX A**

### HOUSING QUALITY STANDARDS SUMMARY

The following is a list of *some* of the HQS requirements

- ✓ Hot water heater (HWH) must be working properly
- ✓ HWH must have a release valve with a release valve extension pointed towards the floor (within 6" of the floor); See Appendix B for picture
- ✓ Hand railings are needed for anything over 3 steps – inside or outside and must be secure
- ✓ No chipping or peeling paint inside or outside if family has children under the age of 6 and the unit was built before 1978.
- ✓ Floor coverings must have no tripping or other hazards
- ✓ No prominent holes in walls or doors
- ✓ Heating system must be adequate and working properly
- ✓ Locks are needed on windows and outside doors
- ✓ Roof must be in good condition with no leaks
- ✓ Working smoke detectors are needed on all floors (including basements)
- ✓ All lights must work properly (no burned out bulbs in light sockets)
- ✓ No leaking pipes or dripping faucets
- ✓ Unit must have its own kitchen, bath, bedroom and living room that are not to be shared with another family
- ✓ Unit must be safe, decent and in sanitary condition

### **Electrical**

- ✓ All outlets must work
- ✓ All switches must work
- ✓ All switches and outlets must have plates without cracks and chips
- ✓ No electrical hazards, such as frayed or bare wires

### **Kitchen**

- ✓ Must have cabinets and adequate counter space
- ✓ Stove and refrigerator may be provided by the owner or tenant. All four burners must work and the oven must work. All handles and knobs must be present
- ✓ Must have outlet and permanent light
- ✓ Sink and plumbing must work

### **Living Room**

- ✓ Windows must open (if openable)
- ✓ Must have a permanent light *and* one outlet or 2 separate outlets in the room

### **Bedroom**

- ✓ Same qualifications as living room

### **Bathroom**

- ✓ Ventilation - a window that opens or a permanently installed fan
- ✓ Needs a stool, sink, and either a tub or shower
- ✓ All plumbing and fixtures must be in working order with no leaks
- ✓ Needs a permanently installed light fixture

### **Mobile Homes**

- ✓ Must have tie downs for safety. An example is shown in Appendix C.