

Chapter 18

MODERATE REHABILITATION PROGRAM

18-1 General (§882.101)

In addition to the Housing Choice Voucher program, the PHA also administers the Moderate Rehabilitation program for the following properties:

1902 Cudaback Avenue	(4 units)
423 22 nd Street	(4 units)

For this special program, all policies outlined in the Administrative Plan are applicable with the following exceptions:

18-2 Tenant Selection (§882.514)

The PHA does not maintain a waiting list for the Moderate Rehabilitation program. The owner is ultimately responsible for selecting an eligible tenant. The PHA will provide interested applicants information regarding possible vacant units. The owner is responsible for the screening of tenants.

Owners are required to contact this office when a family has been selected for tenancy. The owner will then inform the tenant to contact this office for an appointment to determine program eligibility. The PHA will determine eligibility in accordance with Federal regulation and this Plan. Healthy single families will be allowed participation in the program if the owner provides a written certification that they have no other eligible applicants.

The PHA will notify the owner if the family fails to show for their scheduled eligibility appointment or if they are determined to be ineligible. The owner is then responsible for selecting another tenant.

18-3 Briefings (§882.514)

Moderate Rehabilitation families will be briefed during their initial eligibility appointment. During this briefing the family will be issued a Statement of Family Responsibility instead of a Voucher. Similar topics will be discussed in the briefing and will also include specific information regarding the Moderate Rehabilitation program.

18-4 Security Deposit (§882.414)

The owner is recommended to collect a security deposit from the tenant. The PHA will determine the amount of the recommended security deposit and be equal to the tenant's total tenant payment or \$50 whichever is greater. The PHA does not pay the security deposit on behalf of a tenant nor does the PHA have any involvement in the

collection or return of the security deposit. The owner must comply with all state and local laws regarding the interest payments on security deposits.

If a tenant vacates the unit, the owner, subject to state and local law may use the security deposit as reimbursement for any unpaid rent or other amounts the tenant owes under the lease. If the amount is less than the amount of the security deposit, the owner must refund the full amount or the remaining balance to the tenant.

18-5 Special Claims

Under the Moderate Rehabilitation program, the owner may be eligible for special claims for damages, unpaid rent, and vacancy loss. If the security deposit is insufficient to reimburse the owner for amounts owed by the tenant under the lease, the landlord may claim reimbursement from the PHA for an amount not to exceed the lesser of: 1) the actual amount owed to the owner or 2) two months contract rent minus the greater of the security deposit collected or the amount of the security deposit the owner could have collected.

If an owner anticipates making a claim for vacancy loss or damages, the owner must immediately notify the PHA and schedule a move-out inspection (See 10.6 Move-Out Inspections). This move-out inspection must be conducted within two business days of the termination of the lease or the actual vacancy, whichever comes first. No repair work should begin until the PHA has conducted the move-out inspection.

Upon receipt of a claim, the PHA will review the claim and make a determination of the amount payable. All claims for unpaid rent and/or damages must include the owner's proof of billing to the tenant (notice sent to the last known address or other forwarded address). The PHA will also attempt to notify the tenant of any paid claim.

Unpaid Rent

Unpaid rent only applies to the tenant's portion of rent while the tenant is in residence under the assisted unit under the assisted lease. It does not include the tenant's obligation for rent beyond the termination date of the assisted lease. Also, because an owner has other remedies available to address unpaid rent, the owner may only claim unpaid rent incurred during the last three months of assisted tenancy. Separate agreements are not considered a tenant obligation under the lease and the PHA will not reimburse the owner for any claims under these agreements. Costs of filing for eviction to remove the tenant or any other legal fees may also not be reimbursed.

Damages

The owner may submit a claim to the PHA for the uncollected amount of damages caused by the tenant while under lease. Upon the owner's completion of repairs, the owner must submit the list of the repairs and associated costs for labor and materials. This claim must be received by the PHA within **90 days** of the actual termination date.

Copies of invoices and bills for materials and labor must be included to document the claim. The invoices and bills must include the name of business or individual, address, and telephone number. Proposals or estimates are not sufficient to document a claim. The owner may include the "reasonable" cost of labor performed by him/her.

A damage claim may not be approved unless a move-out inspection has been conducted in accordance with the above-timeframe. A recent annual or complaint HQS inspection is not acceptable to document tenant-caused damages and cannot be used for damage claims.

All claims for damages will be compared with the move-out inspection, the initial inspection, and any other HQS inspections for validity. Damaged items will have depreciation factored into the calculation if they were not new or in good condition at the time of initial lease-up.

Vacancy Loss (§882.411)

If an eligible tenant vacates its unit (other than as a result of action by the landlord which is in violation of the Lease, Contract, or State or local law), the owner may retain the Housing Assistance Payment due for that unit for the month. Should the unit remain vacant into the next month after the tenant vacates, the owner may receive for the PHA a vacancy loss claim in the amount of 80% of the contract rent for a period not to exceed an additional month. Any money collected from the tenant for the vacancy period in question will reduce the amount of the claim.

In order to claim vacancy loss, the unit must be available for lease and the owner must have pursued all possible activities to fill the vacancy (including, but not limited to, advertising, contacting applicants on the owner's waiting list, contacting the PHA) and has not rejected any eligible applicants except for good cause.

The PHA will conduct inspections to verify that a unit has become vacant and also that it has remained vacant for the period the owner is seeking a vacancy loss.

18-6 Lease Term and Termination of Tenancy

The term of the lease will extend one-year or to the expiration date of the Moderate Rehabilitation ACC, whichever comes first. The tenant may terminate at the lease expiration, providing the owner and the PHA no more than 60 day and no less than 30 day written notice to vacate. The landlord and tenant may terminate tenancy at any time during the lease year, provided both parties sign a mutual rescission.

The landlord may not terminate any tenancy except upon the following grounds: 1) material non-compliance with the lease; 2) material failure to carry out obligations under any State or local law; or 3) other good cause. The landlord may not terminate a tenancy solely because of expiration of the lease. All terminations must also be in accordance with the provisions of State and local law.

The landlord must give the tenant a written notice of any proposed termination of tenancy, stating the grounds and that the tenancy is terminated on a specified date and advising the tenant that they have an opportunity to respond to the landlord. A copy of any eviction notice must be furnished simultaneously to the PHA.

18-7 Ongoing Activities (§882.410)

Moderate Rehabilitation tenants are required to re-certify annually (at lease expiration) and all interim reporting requirements apply.

On or after each anniversary date of the Contract, the Contract rents may be adjusted to amounts no higher than rents established by the applicable Annual Adjustment Factor as determined by HUD. Contract rents will be adjusted provided that the unit is in decent, safe, and sanitary condition and that the owner is in compliance with the terms of the lease and contract.

