

HUD encourages PHAs to use maximum flexibility during this process, such as setting up repayment agreements for tenants who owe funds to the PHA. However, if a family is ultimately denied assistance, the PHA must give them prompt notice of this decision which includes a brief statement of the reasons for the decision. An informal review can be requested by the family (the process is described in the Regulations, Section 982.554).

b. Provided that the Owner's current income certification for a tenant is no more than six months old and the PHA determines it is acceptable (through reviewing a small sampling), the PHA may use the Owner's most recent tenant income examination in determining eligibility for enhanced vouchers.

2. In general, to be eligible to receive an enhanced voucher in the case of a regular opt-out (not preceded by a pre-payment) the family must be low-income (including very low-income) and residing in a unit covered by the expiring Section 8 contract.



**FOR MORE INFORMATION CALL
CES:**

(213) 252-4411

This Information Is Provided To You By:



514 Shatto Place, Suite 270
Los Angeles, CA 90020
Tel: (213) 252-4411
Fax: (213) 252-4422
Email: contactces@earthlink.net

The **Coalition for Economic Survival (CES)** is a grassroots, community organization founded in 1973 for the purpose of uniting people throughout the Los Angeles area to organize and provide information to tenants living in expiring Project-Based Section 8.



ORGANIZE

Simply put, alone I can't, together we can! That's right. What we can't do alone, we can do together. It's an old concept, but there *is* strength in numbers. The Coalition for Economic Survival (CES) has been given a grant by HUD to provide information and outreach to tenants in these opt-out properties. We want to make sure you understand your rights completely. In addition, we want to help tenants establish a tenant organization in their community to represent the tenants' interests and make sure tenant rights are enforced.

Tenant Guide

Your Rent Subsidy Is At Risk!



The Owner Of Your Apartment Is Planning To Opt-Out Of The Section 8 Contract “Low Income”

The rent on your apartment is affordable (“low income”) to you because it is subsidized by the federal government. This subsidy is called “project based Section 8.” The subsidy is secured by a contract between the private owner of your apartment and the Department of Housing and Urban Development (HUD). This contract will expire shortly or has already expired.

The owner can choose to opt-out of the Section 8 program. This means the owner will no longer participate in the Project-based Section 8 program. If the owner chooses to opt-out, however, you have the right to remain in your apartment and receive an enhanced Section 8 voucher. You do not have to move, and you will continue to receive Section 8 assistance.

*“The Owner of your complex does not intent to renew the contract when it expires and opt-out of the
Section 8 contract”*

OPTING OUT OF THE SECTION 8 PROGRAM

A. OPT-OUT. This term refers to a conversion action where an Owner chooses to opt-out of certain programs by not renewing an expiring Section 8 project-based contract or rent supplement program.

1. The Owner is to provide an acceptable one year notification to the tenants and HUD/CA that they intended to opt-out of the Section 8 project-based contract. The letter is to state that the owner will honor the right of residents to remain.
2. In order for an Owner to opt-out of the project based Section 8 program, they must satisfy all notification requirements and also submit the request and certification to the local HUD Office/Contract Administrator (CA), not less than 120-days prior to the expiration of the contract

If proper notification was not provided, the owner must provide acceptable one-year written notification to HUD/CA and the families. During this one -year period:

3. The Department is committed to protecting families living in assisted units, regardless of the actions a project Owner may take. To protect families living in assisted units, Section 538 of the FY 2000 Appropriations Act (Public Law 106-74, enacted October 20,1999) enables the Department to *make enhanced vouchers available* to limit the displacement of families living in assisted units when an Owner elects to opt-out of the Section 8 project-based program. Subject to the availability of appropriations (approved each year by Congress), enhanced vouchers are provided for the eligible residents who were assisted under the expiring project-based contract on the date of expiration.

TENANT PROTECTIONS

A. OVERALL PROCESS. The process of converting from project-based assistance to tenant based assistance can produce worry and fear for many families. Therefore, care must be taken to make sure the process is completed correctly and information is made clear and available for all families, Owners, and Public Housing Authorities (PHAs). Project Managers are encouraged to enlist the aid of a Community Builder to help address tenant questions and concerns. CES is available to assist tenant through out this process and provide you with information and trainings.

B. RIGHT TO REMAIN. Tenants who receive an enhanced voucher have the right to remain in their units as long at the units are offered for rental housing when

issued an enhanced voucher sufficient to pay the rent charged for the unit, provided that the rent is reasonable. Owners may not terminate the tenancy of a tenant who exercises this right to remain except for cause under Federal, State or local law. In order to receive the full rent charged for the unit, the owner must agree to enter into a Housing Choice Voucher Housing Assistance Payment contract with the local PHA on behalf of each covered family. If an owner refuses to honor the tenants right to remain, the tenant’s remedy will depend on State and local law.

1. This protection continues after the first lease term. As long as the property is offered as rental housing, absent good cause to terminate tenancy under Federal, State or local law and provided the PHA continues to find the rent reasonable, owners must continually renew the lease of an enhanced voucher family.

C. TENANT-BASED ELIGIBILITY. Only eligible families will receive enhanced vouchers at the time of an opt-out. While a family may be income eligible, they are not automatically eligible for admission to the tenant-based program.

1. The tenant-based assistance program is administered through the Office of Public and Indian Housing (PIH) through your local housing authority (PHA). Some of the eligibility and admissions standards for PIH programs differ from those of project-based Section 8 programs. In some cases, a tenant may be denied assistance under the tenant-based assistance program.
 - a. The PHA will recertify and screen potentially eligible families and may deny them access to the tenant based assistance program based on the grounds
 - b. outlined in the Regulations (Section 982.552 and 982.553).