

City of Alexandria, Virginia

10
6-12-01

MEMORANDUM

DATE: MAY 24, 2001

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: CONSIDERATION OF A \$75,500 HOUSING TRUST FUND ALLOCATION TO THE ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY (ARHA) FOR A SECTION 8 SECURITY DEPOSIT LOAN PROGRAM

ISSUE: Allocation of Housing Trust Fund monies to establish a revolving security deposit loan program for participants in the Section 8 program.

RECOMMENDATION: That the City Council approve the allocation of \$75,500 in Housing Trust Fund monies to implement the ARHA Section 8 Security Deposit Loan Assistance Program. This request was considered by the Affordable Housing Advisory Committee at its May 3, 2001 meeting.

DISCUSSION: In response to a City notice of housing and community development funding availability released in December 2000, the Office of Housing received a request from ARHA for \$75,500 in funding to develop a revolving loan program for its Section 8 participants who do not have the financial means to pay security deposits when moving to a new residence.

The ARHA Security Deposit Loan Program would be limited to assisting households with incomes up to the Section 8 Low Income limit (currently \$52,500 for a family of four) who are either new (from the waiting list) or continuing participants in the Section 8 program. In addition to meeting the income-eligibility requirement, in order to be eligible to receive a security deposit loan the household must have no other means to garner security deposit funds; must show the ability to meet future housing expenses, including repayment of the security deposit loan; and must not have outstanding debt with ARHA or any federal housing program. If the household meets these requirements, ARHA staff will develop a loan agreement with the head of the household stipulating that the loan is to be repaid within one year from the time the loan is made, unless sufficient cause exists for an extension of the repayment agreement for no more than one additional year. All repaid funds will be used to replenish the security deposit loan fund. In the event ARHA terminates the program, all monies remaining in the security deposit loan fund, and any repayments subsequently received by ARHA, would be returned to the City.

A copy of ARHA's request for funding is attached (Attachment I). The proposed budget calls for \$50,000 to be used for loans and \$25,500 for operating costs (\$18,729 for one-half of a staff position, \$5,927 for administrative expenses, and \$844 for staff travel). ARHA expects to serve approximately 48 households during the first year.

Staff recommends approval of this request in order to address an unmet need in the community. While this program is eligible for Community Development Block Grant (CDBG) funding, there is insufficient room to fund it within the required ceiling on CDBG public service expenses. The use of Housing Trust Fund monies is also preferable to CDBG because it avoids the administrative burden associated with having to record all security deposit loan repayments as CDBG program income received by ARHA.

FISCAL IMPACT: Allocation of \$75,500 from the Housing Trust Fund.

ATTACHMENT: I. ARHA Request for Funding

STAFF: Rhonda Thissen, Housing Analyst, Office of Housing
Mildrilyn Stephens Davis, Director, Office of Housing



ALEXANDRIA REDEVELOPMENT AND HOUSING
AUTHORITY

APPLICATION FOR FUNDING FOR HOUSING AND
COMMUNITY
DEVELOPMENT ACTIVITIES
(CDBG)

DECEMBER 15, 2000

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ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

APPLICATION FOR FUNDING FOR HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES

DECEMBER 15, 2000

I. Project Description

The Alexandria Redevelopment and Housing Authority (ARHA) is requesting funding for a security deposit loan program for its Section 8 families that do not have the economic means to pay a full security deposit. In October, 1995 the U.S. Department of Housing and Urban Development (HUD) eliminated its Section 8 claims program, and in doing so, then allowed a landlord to charge the Section 8 family a full security deposit to cover any cost for damages above normal wear and tear and to cover any vacancy loss allowed by their local government. As a result, families with limited economic means have had a hard time renting units if the landlord was not willing to accept partial payments or a payment plan for the security deposit or if they were unable to receive assistance from the local Department of Social Services or charitable organizations who also have a finite amount of funds.

In order to meet the demands of a competitive housing market, ARHA believes it must find creative ways to assist low income families in renting units while meeting the financial needs of the landlord. By providing a no interest loan program, ARHA will assist Section 8 families and will increase their chances of renting a unit within the City of Alexandria and not have to relocate to neighboring jurisdictions. This will address more than the families housing situation but will also help the family become more stable which will help reduce the mobility rate within the school system.

Program Implementation:

The program will work as follows:

The ARHA Security Deposit Loan Assistance Program will be limited from low to very low income Section 8 applicants (individuals and families who have been selected and certified from the ARHA Waiting List) and participants (individuals and families who are currently enrolled in the Section 8 Program). After the family has located a unit and a Request for Lease Approval form has been submitted by the Section 8 family, a discussion will be held with the family's Placement Officer to determine how the family will pay the Security Deposit. During the discussion, the Placement Officer will determine if the family can pay a portion of the Security Deposit, but may not have enough money to pay the entire Security Deposit or if the family has no means of paying the Security Deposit at all.

If the Placement Officer determines that the family needs assistance with paying the security deposit, the Placement Officer will complete a client referral form, and submit it to the Security Deposit Loan

Processor. The referral form will have basic information such as the Section 8 clients name, address, telephone number, contract rent, owner's name, proposed effective lease up date, and security deposit amount that has been requested. The Loan Processor will schedule an appointment with the family within two (2) business days, to determine if the family meets all of the eligibility requirements listed below.

Eligibility Requirements:

1. The gross family's income must be within the Section 8 Low to Very Low Income Guidelines, effective at the time the family submits the Request for Lease Approval;
2. The family has no other means, exclusive of this program, to garner security deposit funds;
3. The family will have means of meeting future housing expenses including the repayment of the security deposit loan; and
4. The family can not owe any money to ARHA or to any other federal housing program.

If the family meets these requirements, a loan agreement will be developed with the household. The loan agreement is not to exceed a one (1) year period, unless an extension is granted but for no more than one more year.

1. The family will be expected to contribute as much as possible towards the security deposit, but the family must make a contribution.
2. The Loan Processor will take into account the family's present and future financial obligations and expenses.
3. The family's repayment agreement includes a clause stating that the family will not be able to receive another voucher to move if they have not repaid the loan in full. Under special circumstances, a family may be required to just bring the loan up to date, before another move is permitted. These special circumstances would be limited to disabled families or other special needs families.
4. The family will notify their Section 8 Placement Officer thirty days prior to moving from their unit.

After the loan agreement has been completed, it will be given to the Housing Program Supervisor and Director of Housing Operations for approval and their signatures. A check will then be processed and given to the family's Placement Officer. The check must be made out to the Landlord and Tenant. The Placement Officer will have a meeting or a phone conference with the owner. The owner will be required to sign a contract for the transfer of the Security Deposit with the following requirements.

1. Transferring the entire security deposit with interest (if applicable) into the tenant's name after the Section 8 office has notified the owner in writing that the tenant has repaid the security deposit.
2. Request a move out inspection if the owner determines that there are damages or vacancy loss that will be deducted from the security deposit while the family stills owes a balance on the loan.
3. Immediately forward any balance including applicable interest to the Section 8 office, after approved unpaid rent and damages have been deducted from the security deposit.
4. Immediately forward the entire security deposit and interest back to the Section 8 office if there is no claim for unpaid rent damages and the tenant still owes a balance on their loan.

The landlord will be issued the check once he/she or his/her agent has signed the Security Deposit Owner Contract. This contract will also be signed by an ARHA representative. A copy of the family's loan agreement and owner contract will be maintained by the Loan Processor and in the family's Section 8 file. The family will be sent a monthly billing according to the terms established in the repayment agreement. All payments made by the family will be posted on a monthly basis. The Loan Processor will provide a monthly report to the Housing Program Supervisor on each loan and the overall balance of the loan fund. The Loan Processor will also maintain demographics on the families that receive loans, race, sex, income, etc.

After the family has paid off the loan, both the owner and the family will be notified in writing by certified mail, that the Security Deposit and interest (if applicable) must be put into the family's name as any other Security Deposit is done.

Generally, in order for a family to move from one (1) Section 8 unit to another, they will have to repay the loan in full. However, if there is a hardship reason and the family needs to move, but still owes money on the repayment agreement, the tenant must bring the repayment agreement up to date before he/she can move. Hardships determinations must have the approval of the Director of Housing Operations; if denied, the family will be required to pay the entire outstanding balance. There can be only one repayment agreement and all rules related to the agreement apply as long as the tenant still owes a balance on the loan. The owner will be required to request a move-out inspection from the Housing Operations Department if he/she intends to keep any of the security deposit to cover damages. If the owner intends to keep any of the security for unpaid rent, the claim must relate to the time frame the unit was leased under the Section 8 program, and the owner must provide a rent roll.

All repaid funds will be used to replenish the Security Deposit fund, so ARHA can continue to make future loan payments to other qualified families. Section 8 participants may qualify for another loan if they have repaid the previous Security Loan and a one (1) year period has passed since their last loan payment.

CORRECTED PAGE

II. Project Budget

The Alexandria Redevelopment and Housing Authority is requesting \$75,500.00 to fund the Security Deposit Loan Program. The \$50,000.00 will be used to fund the Loan Program, \$25,500.00 will be used to cover operating cost and half of the salary for the Loan Processor position. ARHA will pay the other half of the salary for this position and any other funds required to cover any operating expenses, (rent, desks, calculator, utilities, phone, paper, postage, etc.).

Fund Utilization:

The \$50,000.00 will be divided into 12 monthly installments: 11 installments at an amount of \$4167.00 and the last at \$4163.00 to fund the loan program. Dividing the total amount into monthly installments allows ARHA to assist families continually for a 12 month period. Loans will be capped at the Applicable Payment Standard (APS) the family qualifies for or the contract rent of the unit, whichever is less. For example: If a family qualifies for the two bedroom APS which is \$998.00 and the contract rent for the unit is \$1100.00, the loan amount could not exceed \$998.00. Based on the two bedroom APS, ARHA estimates the maximum number of families we will be able to serve is approximately 4 (four) per month for an approximately total of 48 families for the year. All loan repayment will be used to refund the Loan Program, which will be used to fund the program during the next program year. We estimate that ARHA will recapture 95% of the total loan funds through repayment by the families. The remaining will be pursued through regular collection procedures.

The Remaining \$25,500.00 will be divided between salary and operating costs. The salary for the Loan Processor position will be at a grade 9 step 1 (\$34,476.00) plus benefits as described in the budget. ARHA will fund half of this salary through federal Section 8 administrative fees and half will be funded by grant funds. The balance of grant funds will be used to help cover the cost of office supplies, postage, paper, billings, etc. Attached is the program budget.

III Project Schedule

The Security Deposit Loan Program will be implemented within two months after receiving approval and funding for the program. This period is needed to complete a full recruitment for the Loan Processor position and to train the new employee. The program will then operate for 12 months and will continue to operate based on available funding. Attached is a sample program Work Plan.

IV Organization Structure and Capacity

The Alexandria Redevelopment and Housing Authority (ARHA) is committed to providing low-income housing opportunities to persons who qualify under the rules and regulations that govern eligibility for both state and federal housing programs. ARHA operates 2,500 public and assisted housing units within the City of Alexandria and provides services to more than 7,000 residents, ARHA administers the Family Self Sufficiency (FSS) Program, Regional Opportunities Counseling Program (ROC), GED preparation, computer skills training, and drug abuse and prevention programs.

ARHA is in charge of the Section 8 and Public Housing Programs which are within the Housing Operations Department, where the Director of Housing Operations administers the Public Housing, Section 8 Certificate, Voucher, and Moderate Rehabilitation programs. The Housing Program Supervisor monitors the overall administration of all programs, and reports directly to the Director of Housing Operations. The Public Housing and Section 8 Placement Officers carry out the day-to-day administration of the programs, maintain all records and report directly to the Housing Program Supervisor. The Rent Specialist collects rent, processes evictions and maintains rent rolls. The Housing Inspectors complete Housing Quality Standards (HQS) inspections and the department is supported by the Administrative staff. The Security Deposit Loan Program will be administered by the Housing Operations Department in the Intake Unit. This position is to be supported by the Waiting List Administrative Assistant and the Section 8 Administrative Assistant.

The Alexandria Redevelopment and Housing Authority has worked closely with the City of Alexandria's Office of Housing for the development of an overall housing strategy for the City of Alexandria. The local consolidated Plan was considered in determining the unit allocation request. This strategy reviewed the existing housing stock, planned rehabilitated units and those units expected to be removed from inventory.

The overall approach for the existing program is to maximize the use of standard, existing stock, and provide equal housing opportunities for low to very low-income households by providing housing assistance. Based on ARHA's experience in working with affordable housing programs, ARHA know of the need for the Security Deposit Loan Program and believe it can efficiently and effectively administer the Security Deposit Loan Program.

ATTACHMENT 1

BUDGET

BUDGET CATEGORY ITEMIZATION

1. Personnel/Employees

a. Names of Employees

	Position Titles	Annual	Salary	Rate	Person Hours	Devoted	CITY GRANT	GENERAL	ARHA MATCH	TOTAL
	Vacant									
	Loan Processor		\$34,476		2,080		\$17,238	\$0	\$17,238	\$34,476
2.	Marye Ish		\$81,055		52		\$0	\$0	\$2,028	\$2,028
3.	Elijah Johnson		\$50,573		104		\$0	\$0	\$2,529	\$2,529
4.	ARHA Staff		\$48,207		693		\$0	\$0	\$16,394	\$16,394
5.	India Allen		\$42,670		52		\$0	\$0	\$1,067	\$1,067
					Total		\$17,238	\$0	\$39,254	\$56,492

b. Fringe Benefits

FICA % =	6.20%						\$1,069	\$0	\$2,434	\$3,503
Medicare =	1.45%						\$250	\$0	\$569	\$819
Retirement =	0.00%						\$0	\$0	\$0	\$0
Other (Itemize) =	0						\$0	\$0	\$0	\$0
Health = (ave cost/mo)	\$145.58						\$0	\$0	\$146	\$146
Dental = (ave cost/mo)	\$23.14						\$0	\$0	\$23	\$23
Life =	0.28%						\$0	\$0	\$110	\$110
Unemployment=	1.00%						\$172	\$0	\$393	\$565
					Total		\$1,491	\$0	\$3,674	\$5,165
	Total Personnel (a + b)						\$16,728	\$0	\$42,928	\$61,657

2. Travel and Subsistence for Project Personnel

a.	Local Mileage	1,231	x	\$0.32	per mile		\$394	\$0	\$0	\$394
	(approximately 25 miles per week)									
b.	Non-Local Miles		x		per mile		\$0	\$0	\$0	\$0
c.	Subsistence	2	days x	\$0.32	per day		\$50	\$0	\$0	\$50
d.	Air/Other fares						\$0	\$0	\$0	\$0
e.	Seminar			\$400.00			\$400	\$0	\$0	\$400
	Total Travel						\$844	\$0	\$0	\$844

BUDGET CATEGORY ITEMIZATION (continued)

4. Equipment

Type	Quantity	Unit	Price	Purchase or Rental	CITY GRANT	GENERAL	ARHA MATCH	TOTAL
CUMPUTER, PHONE, DE	VARIOUS	VARIOUS					\$5,000	\$5,000
	Total Equipment				\$0	\$0	\$5,000	\$5,000

5. Supplies and Other Expenses

Type	Quantity	Unit	Price	Purchase or Rental	CITY GRANT	GENERAL	ARHA MATCH	TOTAL
OFFICE SUPPLIES & POSTAGE					\$5,927	\$0	\$2,163	\$8,090
					\$0	\$0	\$0	\$0
					\$0	\$0	\$0	\$0
					\$0	\$0	\$0	\$0
	Total Supplies and Other				\$5,927	\$0	\$2,163	\$8,090
	SECURITY DEPOSIT GRANT AMOUNT				\$50,000	\$0	\$0	\$50,000
	Total Grant Amount				\$0	\$0	\$0	\$0
GRAND TOTAL					\$50,000	\$0	\$0	\$50,000
					\$75,500	\$0	\$50,091	\$125,591

ATTACHMENT 2

WORK PLAN

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SAMPLE

SECURITY DEPOSIT LOAN WORK PLAN

Project Month Begin End		Activity	Staff Responsible	Clients Served	Progress to Date	Other comments
Jan 01	Jan 01	Advertise for Loan processor position and review applicant's resumes	Housing Program Supervisor	0 families	Advertised for Loan Processor position. Reviewed resumes & selected candidates	Chief Executive Officer will accept and sign grant for funding.
Feb 01	Feb 01	Conduct interviews of candidates for position & select employee Train new employee and current staff on Security Loan Program.	Interview Panel HPS Director of Housing Operations CEO	0 families	Held interviews & make recommendation to Director of Housing Operation and CEO for approval. Train new employee, Section 8 Placement Officer and Administrative Assistant s.	The Finance Department will set up bank account and general ledger to receive and process security deposit payments. Loan processor will set up program and files.
Mar 01	Mar 01	Start providing assistance to families who qualify for the Security Deposit Loan Program.	Loan Processor Placements Officers	4 families	Interviewed families and processed Security Deposit payment equal to \$4167	Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.

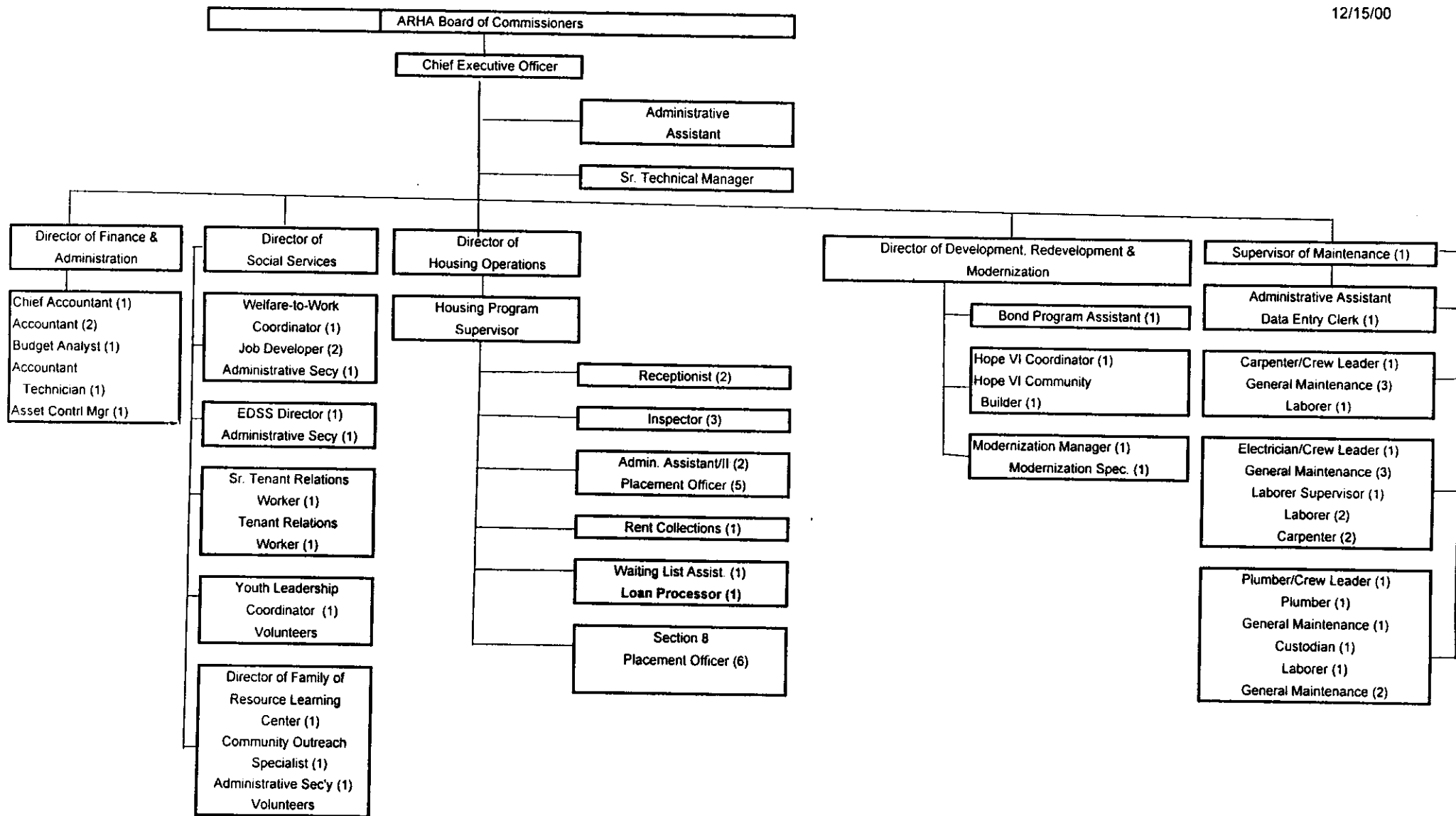
Apr 01	Apr 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans; payment equal to \$4167.	Landlord and family signed agreements. Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.
May 01	May 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4167.	Landlord and family signed agreements. Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.
Jun 01	Jun 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans; payment equal to \$4167.	Loan Processor will provide the Housing Program Supervisor with a Qtrly. Program Report. Number of participants; amt. of funds paid; amt. collected. Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.
Jul 01	Jul 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4167.	Landlord and family signed agreements. Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.

Aug 01	Aug 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4167.	Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.
Sep 01	Sep 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4167.	Loan Processor will provide the Housing Program Supervisor with a Qtrly. Program Report. Number of participants; amt. of funds paid; amt. collected. Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.
Oct 01	Oct 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4167.	Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.
Nov 01	Nov 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4167.	Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.

Dec 01	Dec 01	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4167.	<p>Loan Processor will provide the Housing Program Supervisor with a Qtrly. Program Report. Number of participants; amt. of funds paid; amt. collected.</p> <p>Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.</p>
Jan 02	Jan 02	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4167.	<p>Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.</p>
Feb 02	Feb 02	Provide on-going Security Deposit assistance.	Loan Processor Placements Officers	4 families	Continued to assist families with Loans;payment equal to \$4163.	<p>Loan Processor provide Year End report and evaluates program success; total # of participants; total amt. paid for security deposit; and total amt. repaid.</p> <p>Landlord and family signed agreements. ARHA post accounts, create file, establish family account for billing and tracking. Mail out montly billings.</p>

ATTACHMENT 3

ORGANIZATIONAL
CHART



ATTACHMENT 4

REFERRAL FORM

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
SECURITY DEPOSIT LOAN REFERRAL FORM**

Applicant/Participant: _____

Current Address: _____

Rental Unit Address:
for Security Purpose _____

Phone # of Applicant: _____ Home _____ Work _____

Owner/Agent Name: _____

Address: _____

Phone # of Owner/Agent: _____

Proposed Lease Effective Date: _____

Contract Rent: _____ .00

Total Security Deposit: _____ .00

Amount Family Can Pay: _____ .00

Amount of Loan Needed: _____ .00

Placement Officer _____

Loan Processor _____ Date: _____
Loan Approved Loan Disapproved

Housing Program Supervisor _____ Date: _____
Loan Approved Loan Disapproved

Director of Housing Operations _____ Date: _____
Loan Approved Loan Disapproved

ATTACHMENT 5

FAMILY REPAYMENT AGREEMENT

**ALEXANDRIA REDEVELOPMENT AND HOUSING
AUTHORITY
SECURITY DEPOSIT LOAN PROGRAM
REPAYMENT AGREEMENT**

This agreement is made this _____ day of _____, 2001
between the Alexandria Redevelopment and Housing Authority, hereinafter referred to as ARHA and _____

I agree to make a downpayment of my ownfunds for the amount of \$_____.

I agree to pay ARHA the balance of my Security Deposit Loan in monthly installments of _____ dollars (\$___), payable by the first of each month until the balance is paid in full. Payment must be in the form of **money orders or Cashiers Check payable to "The Alexandria Redevelopment and Housing Authority"** and mailed to the following address:

**ARHA
Attn: Security Deposit Loan Processor
600 North Fairfax St.
Alexandria, VA, 22314**

The total of monthly payments for this loan is _____.

I/we fully understand that if I/we fail to make repayment based on the conditions of this agreement, I/we may be terminated from the Section 8 Program or denied a new voucher of family participation. I/we further understand that my/our indebtedness continues even if my/our Section 8 assistance is terminated.

I/we understand that I/we have the right to request an informal hearing before being terminated from the Section 8 Program or denied a voucher of family participation.

I agree to maintain the unit and related facilities and to keep the unit safe, decent and sanitary in accordance with the HUD Housing Quality Standards.

I agree not to sublease or sublet the unit.

I agree to notify the Section 8 Office and the owner with at least a 30 day written notice of intent to vacate the unit.

I will use the unit only for the purpose of residency and will not conduct any illegal activity on or around the unit.

REPAYAG

4/30/92

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I agree to provide the Loan Processor and my Section 8 Placement Officer with all the required information to process my application for Security Deposit assistance.

By signing this Document, I agree to all the terms and conditions listed above. I also understand if I do not repay the Security Deposit Loan, my Section 8 assistance may be terminated.

HEAD OF HOUSEHOLD

CO-HEAD OR SPOUSE

DATE

DATE

LOAN PROCESSOR

DATE

Witness

DATE

c: Section 8 file

ATTACHMENT 6

OWNER/AGENT PROMISSORY NOTE

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SECTION 8 SECURITY DEPOSIT PROMISSORY NOTE
FOR PARTICIPATING OWNERS/AGENTS

The purpose of this promissory note is to establish the terms and conditions Section 8 owners must meet in order to receive the Section Loan Program security deposit and the manner in which the owner/agent must return this security deposit amount when the family and owner/agent terminate the lease. This security deposit is provided to the Section 8 families in order to assist them in securing a decent, safe and sanitary dwelling unit from the owner/agent.

1. My name is _____ And I am an owner/agent who is participating in the Section 8 program as of _____.
2. The Section 8 family I am leasing to is: _____
Head of Household
3. The address of the unit the family will occupy is: _____

4. I understand that after I endorse and cash/deposit the Security Deposit check for ARHA on behalf of the family listed in Clause 3 above, I am bound by all the conditions listed in this promissory note.
5. This Security Deposit applies only to the Family and Dwelling unit designated in this promissory note.
6. I agree to maintain and operate the unit and related facilities to provide decent, safe and sanitary housing in accordance with the HUD Housing Quality Standards.
7. I ensure that the family does not own, or have any interest in the unit.
8. I declare that the unit is leased to the family named in this promissory note.
9. I declare that the entire Security Deposit collected by the loan and the applicant participates does not exceed one month's rent as of the effective date listed in Clause 1 of this promissory note.
10. I will advise the Section 8 office immediately if occupants not listed on the lease are living in the unit more than 30 days.
11. I will advise the Section 8 Office if the unit is used for purposes other than residency.
12. I shall comply with HUD and State law requirements regarding security deposits including

any interest on the deposit as reimbursement for any unpaid rent payable by the family or for other amounts which the family owes under the lease.

13. I will give the family a written list of all items charged against the security deposit and the amount of each item within 30 days.
14. I will request a move out inspection from the Section 8 office within seven (7) days of the family vacating the unit before giving the family the written list of items
15. The Section 8 office will notify me in writing and mail by certified sign receipt after the family has repaid the security deposit loan to ARHA.
16. Upon receipt of this notice, I will return the security deposit and interest, if applicable, to the family within 30 days of the termination of the lease of the family vacating the unit.
17. If the Section 8 office does not advise me that the loan has been repaid by the family, I will return the security deposit and interest, if applicable, to the Section 8 office within 30 days of the termination of the lease or the family vacating the unit; I will deduct expenses approved by the Section 8 office for unpaid rent, damages or vacancy.
18. If the Section 8 office approves unpaid rent and/or damages (during the term of the Section 8 tenancy only), after deducting the amount used for reimbursement of the itemized rent and/or damages, I will promptly refund the remainder to the family or the Section 8 office whichever is appropriate

By signing this document, I agree to all the terms and conditions listed above. I also understand if I fail to repay the Security Deposit loan amount with applicable interest, I will be subject to collection procedures from the Alexandria Redevelopment and Housing Authority and may be bound from future participation in the Section 8 Program as owner.

Owner/Agent Name

Signature

Date

Placement Officer

Signature

Date

Witness

Signature

Date