

Chicago Housing Authority Property Rental Assistance Program

PRA at a Glance

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Overview

What is the Chicago Housing Authority (CHA)?

CHA is the largest owner of rental housing in the city of Chicago, providing homes to more than 50,000 families, while supporting healthy communities in neighborhoods all across the city. CHA has almost 9,200 apartments in buildings designated for seniors and more than 8,600 units of family housing. It also oversees the administration of 36,900 Housing Choice Vouchers that allow low-income families to rent in the private market.

CHA is currently undergoing the Plan for Transformation, the largest and most ambitious redevelopment effort of public housing in the history of the United States. The Plan provides for demolition of notorious high-rise developments, the comprehensive rehabilitation of all the other scattered-site, senior and lower-density family properties, and the construction of new mixed-income/mixed-finance developments. The guiding principle behind the Plan is the comprehensive integration of low-income families into the larger physical, social and economic fabric of the city.

As part of the Plan, CHA will redevelop or rehabilitate 25,000 units of public housing. CHA has completed over 72% of this goal, with 18,000 newly rehabilitated or developed public housing units. When the current economic crisis slowed the development of new public housing units, CHA created the Property Rental Assistance Program (PRA) as an alternative strategy to provide long term affordable housing options for low-income families in safe/stable neighborhoods.

The Chicago Housing Authority is a municipal not-for-profit corporation, governed by a Board of Commissioners consisting of ten members. They are appointed by the Mayor and represent the diverse Chicago community and residents.

Property Rental Assistance Program (PRA)

What is the Property Rental Assistance Program?

The Property Rental Assistance Program (PRA) is an innovative strategy to ensure reliable, long-term affordability of quality housing. The program commits project-based vouchers to privately developed and owned housing units in properties within Chicago's stable and revitalizing neighborhoods.

The PRA Program is authorized under CHA's Moving-to-Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD). Under MTW, CHA may develop and test new, locally designed strategies that use federal dollars more efficiently, through HUD-approved exemptions from existing Public Housing and Housing Choice Voucher rules.

PRA is a part of the Mixed Income portfolio in the Asset Management Department and CHA's version of HUD's Project-Based Voucher Program (PBV) using funds from the Housing Choice Voucher Program (HCV). Under the PRA Program, CHA attaches subsidy to specific housing units in multi-family developments in Chicago.

PRA Objectives

- Expand affordable housing opportunities throughout Chicago.
- Provide owners with reliable & straight forward rental income.
- Ensure long-term affordability at quality properties.
- Provide housing options for specific populations such as:
 - Homeless
 - Veterans
 - Intergenerational housing
 - Persons with specific disabilities

PRA Organizational Chart



PRA Essential Terms

Contract Length: Five to thirty years.

Contract Rent: The total rent on the lease, including the tenant payment and the CHA housing assistance payment.

Contract Rent Reasonableness: Contract rents are subject to rent reasonableness. This means that that the rents cannot be more than they would be if the units were rented without tenant subsidies.

Housing and Building Types: Walk-up apartments, courtyard buildings, high-rises with elevator, cooperative housing, multi-property portfolios, and supportive housing developments.

Minimum Number of Units: Preference for at least eight (8) PRA units per application.

Populations Served: Working Families, persons with disabilities, seniors, Veterans, intergenerational families, individuals and families requiring site-based support services.

Property Types: All types of multi-family apartment buildings, comprised of four units or more, and portfolios that contain multiple single-family, duplex, triples and townhouses units that have the same legal ownership.

Ratio of Assisted Units: Flexible. General guideline - 25 to 40% of units in a family property; 50% of units in senior properties; and 100% in supportive housing.

PRA Program Phases

Application Approval Process

- Owners submit formal application.
- CHA Committee reviews and recommends applications based on selection criteria.

CHA is accepting PRA applications from owners on an ongoing basis. Applications are selected competitively based on those that best meet CHA goals and objectives. Selection criteria are detailed in the application instructions. Owners are encouraged to review PRA application information at www.thecha.org/PRA.

HAP Contract Approval and Execution

- CHA Board of Commissioners selects and authorizes contracts.
- CHA and Owner sign HAP Contract.
- CHA (or Owner) refers Tenants for units.
- Owner signs lease with the Tenant.

Operations

- CHA pays subsidy.
- Owner collects Tenant rent.
- Owner maintains property and inspects units.
- Owner enforces lease.
- CHA conducts reexaminations of Tenants to determine continued eligibility.
- CHA conducts annual Asset Management Review including inspections to ensure compliance with all PRA Program rules and regulations.

PRA Contracts and Lease Basics

What is the PRA Contract?

Under the PRA Program, CHA enters into a housing assistance payments contract with the owner for specified units in a property for a specified term from five to thirty years. The contract does not begin or end based on a family's lease.

Can there be PRA and HCV units in the same property?

Yes, there may be PRA tenants and HCV tenants in the same building or development. In some properties, there may also be other types of subsidized units such as those funded through HUD's Moderate Rehabilitation Program. Please note that new contracts are not available under the Moderate Rehabilitation Program. However, CHA will consider all forms of rental subsidy when evaluating new applications relative to maximum limits per property.

What are the owners' responsibilities for the property?

The owner is expected to manage all operational and financial aspects of property including collecting rent, enforcing the lease, and maintaining assets and files. An owner may delegate such responsibilities to a managing agent or Property Manager. For PRA unit tenancy, the owner must use the same tenant selection and screening criteria that are applied to all tenants at the property.

What type of lease agreement may an owner use?

The Owner/Manager may use their own form of lease, which must be in compliance with local and State landlord-tenant law. The owner must also execute a PBV tenancy addendum with each PRA tenant. The tenancy addendum specifies tenant obligations under the PBV Program.

How does a property owner request an increase?

The owner may request a rent increase annually by submitting a request in writing before the contract anniversary date. An owner submits one rent request for all units under each property contract. The request must include the rent requested for all units under a specific PRA contract by bedroom size. For example, an owner may request a rent increase for 10 2-bedroom units, 3 3-bedroom units, and 2 4-bedroom units in a PRA property. Unlike HCV, the Property-Based Program Division processes PRA rent increases, not the Inspections Department.

Note: *All units must meet HQS prior to the processing of rent increase requests.*

What are the inspection requirements?

The owner is responsible for inspecting the units for regular maintenance and submitting certification on an annual basis that each is in compliance with HQS. In addition, CHA will conduct annual "bulk" inspections of 20% of the PRA units in each building (randomly selected), inspections of all units at turnover and, if necessary, complaint inspections if an Owner does not make timely repairs. "Bulk" inspections will be scheduled with the Owner/Property Manager at least 120 days prior to Contract anniversary date. Owner/Property Manager is responsible for notifying the Tenant and ensuring access to the unit.

The HAP Contract — Key Provisions

Effective Date: There is one effective date for the PRA contract. This date remains the same even when additional units are added to the contract.

Term: Each contract specifies a termination date between one and thirty years. The termination date for the contract is the same for all units, regardless of when they were added.

Specification of Units: Units are identified by address, unit #, and accessibility design features. Units may not be substituted, deleted or added without a contract amendment.

Utility Responsibilities: The owner and family responsibility for payment of utilities and providing appliances such as range and refrigerator are established. Each lease agreement and tenancy addendum must reflect these utility responsibilities as set forth in the contract. The utility responsibilities are taken into consideration when determining rent amounts and tenant portions of the rent payment.

Condition of Units: Units are to be maintained in accordance with housing quality standards, the HUD minimum physical condition standards. The owner is responsible for routine and preventative maintenance of the property and the PRA units. The owner is also responsible for planning and completing replacement and capital repairs to the property.

Tenancy: Units are to be leased only to eligible tenants. By receipt of the HAP payment, the owner is certifying that the tenant is in occupancy on the first of each month.

Housing Assistance Payments Contract Rent Adjustments: Adjustments may be made in the contract rent annually on the contract anniversary date. All units must pass HQS for such increases to be processed.

Owner Responsibilities

- Perform all rental and management functions
- Maintain units to meet HQS
- Comply with equal opportunity requirements
- Enforce Tenant Obligations under the lease
- Pay for utilities and housing services (unless paid by family under the lease)
- Collect the security deposit from the tenant, tenant portion of the rent, and any charges for damages to the unit made by the tenant

Vacancy Payments: Owners receive HAP for the month that tenant moves out and up to 2 months contract rent if the owner has taken all reasonable actions to release the unit.

Owner Certification: The owner certifies compliance with federal contract (i.e., not debarred or suspended) and conflict of Interest regulations.

Tenants

What families are eligible to obtain PRA housing?

CHA refers families who are on the CHA's property-based waiting list to owners of PRA units. Under specific conditions, owners may refer families to be placed on the waiting lists.

Owners screen and select families for occupancy. CHA calculates the amount that a family will pay for rent based on a family's income.

What are the income limits?

The income limit is 80% of median income as established by HUD annually.

How much rent do PRA tenants pay?

PRA tenants pay 30% of their adjusted income for rent. The tenant's rent amount is reduced by a utility allowance if the tenant pays for utilities such as gas and electricity.

How often are family income reexaminations?

Families must have their income reexamined and calculated at least every two years. Families that have "no income" must report any increases in income within 30 days. The rules for reexamination are the same as those for the Housing Choice Voucher (HCV) Program. CHA's reexamination policies may be found in the Housing Choice Voucher Program Administrative Plan which is available on the CHA website. Note that CHA has exemptions from certain HUD income calculation rules for both PRA and HCV.

How much is the PRA security deposit?

The owner sets the security deposit amount which must be in compliance with State and Chicago landlord-tenant laws.

Can families move and still receive assistance?

If a family lives in a PRA unit for at least two years, the family may request a voucher to move. If a voucher is available, the tenant will be issued one. If a voucher is not immediately available, the CHA will give the tenant priority to receive the next available voucher.

What are the family's responsibilities under this Program?

- Comply with Family Obligations and other Program rules
- Comply with the terms of the lease
- Permit housing inspections
- Report changes in income and household composition, as required by CHA and the lease
- Maintain the unit in good condition

Inspections

What are the inspection requirements?

The owner is responsible for inspecting units for regular maintenance and ensuring compliance with HUD's Housing Quality Standards, the minimum physical condition standard for the units.

Approximately 90 days before the anniversary date of each contract, CHA inspects PRA units at turnover and 20% of the PRA units in each building annually. The inspection is coordinated with the owner and property manager. CHA may inspect all PRA units at the property as it determines necessary based on "failed" inspection results. Within 30 days, repairs must be made to units failing inspection or rent for the unit will be abated. All units must pass inspection prior to the processing of rent increase requests.

CHA may perform complaint inspections if an owner does not make timely repairs.

Key Contacts

Central Office Location

60 E. Van Buren Street
Chicago, IL 60605

Applications

E-mail: pra@thecha.org
Phone: 312-786-4056

Operations

Website: www.thecha.org/pr
CHA Customer Call Center: 312-935-2600