Office of the Inspector General
Advisory #16

TO: Eugene Jones, Jr., Chief Executive Officer
CC: Cheryl Burns, Chief Housing Choice Voucher Officer
FROM: Elissa Rhee-Lee, Inspector General
       Ashley Lindemann, Analyst/Auditor
DATE: December 13, 2018
SUBJECT: CHA Property Owner Duties

Pursuant to CHA’s Board Approved Ethics Policy, property owners partnering with the Housing Choice Voucher (HCV) Program owe a fiduciary duty to the CHA. Each landlord is required to report, directly and without undue delay, to the Office of the Inspector General (OIG) any and all information concerning fraud or unethical activity in their dealings with CHA tenants, employees or contractors.

The mission and directives mandated in the Office of the Inspector General (OIG) Charter authorize the OIG to initiate investigations and audits in response to such reported violations, as well as on its own initiative to detect and prevent fraud, theft, waste, abuse or misconduct. Anyone found to have knowledge of ethical violations and improper acts involving authority business, and does not report as required, may be subject to the cancellation of an existing contract and disqualification from further transactions with the CHA.

Likewise, CHA’s Ethics Policy and the OIG Charter state that anyone conducting business for or on behalf of CHA has a duty to cooperate with the OIG in any and all inquiries undertaken by the OIG. Owners shall make records, as deemed relevant by the OIG, available as soon as practicable. Failure to cooperate with the OIG may again result in disciplinary action.

A review of CHA’s Property Owner Guidebook and relevant owner documentation, including but not limited to the Housing Assistance Payment (HAP) contract, discovered that the above provisions were not properly acknowledged by each owner. As a result, the OIG recommends the HCV Department assist in increasing transparency by:

CONFIDENTIAL

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1. Including the following language in its Property Owner Certification Form:\(^1\):

“**INSPECTOR GENERAL_____**
I understand that I have a *duty to report* to the Office of the Inspector General (OIG) any fraud, mismanagement, waste of funds or resources, abuse of authority, misconduct, conflict of interest, ethical violations or other improper acts involving CHA business.
I understand that I have a *duty to cooperate* with the OIG in any and all inquiries.
I understand that failure to report and failure to cooperate with the OIG shall result in disciplinary action, such as removal from the HCV Program and disqualification from further transactions with the CHA.”

2. Ensure property owners initial and certify that they have read, understand and agree to the terms listed above.

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\(^1\) See Attachment 1.
PROPERTY OWNER CERTIFICATION FORM

Property Owner Name: ____________________________________________________________

Unit Address: ___________________________________________________________________

Property Index Number (PIN): ________________

Property Owner/Affiant: Please initial to the right of each item below, certifying that you have read, understand, and agree to the terms of participation in the Housing Choice Voucher (HCV) Program.

OWNERSHIP OF ASSISTED UNIT
I certify that I am the legal owner and/or authorized agent for the above-referenced unit, and that the prospective tenant has no ownership interest in this dwelling unit whatsoever.

PROOF OF OWNERSHIP
I understand that prior to approval of the HAP Contract by CHA, I must submit and/or update the HCV Program’s Affidavit of Ownership, listing the names and current addresses of all individuals having an ownership interest in the property, regardless of the legal entity that may hold title. I further understand that any changes to the list of owners and/or authorized agents must be reported to CHA in writing within 10 calendar days of the change.

UNIT PROPERTY TAXES
I understand the status of a unit’s property taxes will be checked against public records. A unit found to be delinquent in the payment of property taxes will not be eligible for lease under the HCV Program until the taxes have been paid in full. Proof of payment will be required.

PROHIBITION ON LEASING TO RELATIVES
I certify that no member of the tenant family is the spouse, domestic partner, parent, child, grandparent, grandchild, sister or brother of the property owner, any principal, or the authorized agent without CHA’s prior approval of a Reasonable Accommodation.

HOUSING QUALITY STANDARDS (HQS) COMPLIANCE
I understand that it is my obligation under the HAP Contract to perform necessary maintenance and to provide those utilities as contracted in my lease with the tenant so that the unit continues to comply with HQS. I understand that I (or my representative) am solely responsible for the coordination of, and must be present for, initial inspection(s). I also understand that it is my responsibility with the HCV participant for ensuring that all subsequent CHA inspections of the unit under contract take place.

INSPECTION FAIL RATE
I understand that the goal is for units to pass their initial inspection. This can be greatly enhanced by an owner’s pre-inspection walk-through and an owner accompanying the CHA inspector on inspection day. Non-compliance could lead to denial of the RTA, suspension of the owner from the Program and/or HAP Contract termination.

CITY BUILDING CODE VIOLATIONS
I understand that outstanding City of Chicago building code violations are a violation of HQS. All units are subject to ongoing cross-referencing once the unit is on the Program. Proof of closed orders is required.

LEAD-BASED PAINT VIOLATIONS
I understand that lead orders issued by the Chicago Department of Public Health are a violation of HQS. Units with outstanding lead orders will not be eligible for lease under the HCV Program, and units are subject to cross-referencing during the term of the assisted tenancy. Proof of closed orders must be submitted.
**Request for Tenancy Approval (RTA) Packet: Property Owner Certification Form (page 2 of 2)**

TERMS OF THE LEASE
I certify that the terms of the lease that I use for voucher holders, including the length of the lease, which shall not exceed two years, adhere to the normal standards for market rate leases in Chicago.

RENT Reasonability
I understand that any tenant transfers, new tenant move-ins or rental increases may not exceed the reasonable rent as most recently determined or re-determined by CHA.

DIRECT DEPOSIT
I understand that all property owners will be required to utilize direct deposit of Housing Assistance Payments.

TENANT RENT COLLECTION REQUIREMENT
I understand that it is my responsibility to collect the tenant’s portion of the rent and that failure to collect the tenant’s portion of the rent on a timely basis will be considered a Program violation.

PROHIBITION OF SIDE PAYMENTS
I understand that the tenant’s portion of the Contract Rent and any other agreements must be approved by CHA and that the property owner is not permitted to charge any additional amounts for rent or any other item not specified on the lease and not specifically approved by CHA.

UNAUTHORIZED PERSONS
I understand it is a Program violation to allow anyone not approved by CHA and listed as a tenant on the HAP Contract to reside in the assisted unit or to be listed on the Lease Agreement.

VACANCIES
I understand that should the assisted unit become vacant, I am responsible for notifying CHA immediately. I understand that relocating tenants to other units requires CHA’s prior consent. Death of an assisted tenant who is the sole household member immediately terminates the HAP Contract.

VAWA REQUIREMENTS
I understand that under HUD’s mandated Violence Against Women Act, CHA may terminate my HAP Contract and allow a family to move/transfer.

OWNER ORIENTATION
I am aware that two-hour training sessions or “owner briefings” are available and that CHA strongly encourages owners and/or authorized agents to attend periodically. I certify that, as a property owner participating in the HCV Program, I fully understand the expectations of CHA and will comply with the rules of the Program.

CODE OF CONDUCT
I understand that it is a Program violation to threaten or engage in, or allow staff to threaten or engage in, abusive or violent behavior or criminal activity toward CHA staff or its contractor. Abusive or violent behavior includes verbal as well as physical actions. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may also be considered abusive or violent behavior. Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

**Property Owner/Affiant Signature:** ___________________________ **Date:** __________________________

**WARNING:** Title 18, US Code Section 1001, states that a person who knowingly and willingly makes false or fraudulent statements to any Department or Agency of the United States is guilty of a felony. State law may also provide penalties for false or fraudulent statements.

**For Office Use Only: Administrator Signature:** ___________________________ **Date:** __________________________

**CHA HOUSING CHOICE VOUCHER PROGRAM OFFICE LOCATIONS**

- **Central Office**
  60 E. Van Buren Street, Chicago, IL 60605
  **CHA Customer Call Center / TTY**
  312-935-2600/312-461-0079
  **Web**
  www.thecha.org/hcv

- **South Office**
  10 W. 35th Street, Chicago, IL 60616
  **Web**
  www.thecha.org/hcv

- **West Office**
  2750 W. Roosevelt Road, Chicago, IL 60608
  **Email**
  www.thecha.org/hcv

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Para adquirir la versión traducida, por favor comuníquese al 312-935-2600.