

## PRE-INSPECTION CHECKLIST

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To ensure that the unit passes inspection, the items listed below must be in working order prior to the Housing Quality Standards (HQS) Inspection. If the unit does not pass inspection, there will be a delay in the new contract approval process. (Please note that this is not an inclusive list but some of the most common reasons units fail inspection.)

- Unit must be move-in ready. Previous tenant has moved out and the unit is clean and free of garbage, inside and outside. All of the owner's personal belongings, if any, have been removed.
- All utilities must be on. (Gas, Electricity & Water)
- Smoke detectors must be present and in operable condition on each level of the home, including the basement. If tenant is hearing impaired, flashing smoke detectors must be installed and operable on each level of the home.
- Carbon monoxide detectors must be present and in operable condition and shall be centrally located outside of each separate sleeping area in the immediate vicinity of the bedrooms.
- All windows accessible from the outside are lockable.
- Heating unit provides adequate heating to all living areas.
- Electrical outlets are working and three-pronged outlets are either grounded or have working GFCI (Ground Fault Circuit Interrupter) protection. (See page 5 for example)
- All electrical outlets and light switches have intact, unbroken cover plates.
- The stove, oven, refrigerator, microwave and dishwasher are operable. If the tenant-provided refrigerator or stove is not available at the time of the inspection, it must be verified as "working" prior to the tenant moving into the unit. Stove must have readable control knobs.
- Plumbing leaks have been repaired.
- Water heater needs to have a TPR (Temperature Pressure Relief) valve with a discharge pipe composed of rigid material directed to the floor.

## QUICK REFERENCE

- **Tenant Selection Information:** Selection of a tenant is based on the owner's tenancy requirements.
- **Inspections:** For questions related to inspections, including rescheduling and inspection results, property owners may call Nan McKay and Associates Inspections, LLC (NMAI) at (408) 993-4067 or email [inspections@nanmckay.com](mailto:inspections@nanmckay.com)
- **General Questions:** For information related to lease-up or SCCHA procedures, please call (408) 275-8770 and ask to speak to a representative.

The following information provides you with an overview of the Santa Clara County Housing Authority's (SCCHA) leasing and inspection process after a completed RFTA is submitted.

## DETERMINING THE UNIT'S CONTRACT RENT

- SCCHA will compare the unit to other unassisted comparable units to determine the reasonable rent, estimated tenant portion of the rent and the estimated amount of the Housing Assistance Payment (HAP). If there is a discrepancy between the rent amount requested by the owner, and the rent amount SCCHA can approve, a SCCHA representative will contact the owner to discuss the approved contract rent.
- A tenant's rent portion cannot exceed 40% of their monthly gross income. A SCCHA representative may call the owner to negotiate if the requested rent will exceed this percentage of the tenant's income.
- Property ownership will be verified. Any discrepancies will require an official copy of the recorded Grant Deed. New rental owners must provide a copy of the officially recorded Grant Deed.

## INSPECTION OF THE UNIT

- A Housing Quality Standards (HQS) Inspection will be conducted before a new contract is processed. However, if your unit was inspected in the last 120 days and was not occupied since, the inspection requirement may be waived.
- SCCHA has partnered with Nan McKay and Associates Inspection, LLC (NMAI), to conduct HQS inspections. A NMAI representative will contact the owner to schedule the initial HQS inspection no later than 15 business days from the receipt date of the Request for Tenancy Approval (RFTA), or when the unit is ready for inspection, whichever date is later. It is required that the owner or the owner's designated representative (18 years or older) be present during the inspection. A designated representative must have a written authorization, signed and dated by the owner, to act on behalf of the owner at the time of the inspection.
- If the HQS inspection reveals that repairs need to be made to the unit, the repairs must be completed before the unit can be approved for Section 8 assistance. Owners must make all repairs as noted by the NMAI inspector within 10-days from the date of inspection. The owner and the tenant are encouraged to conduct a preliminary inspection so any necessary repairs can be completed before the scheduled HQS inspection (A Pre-Inspection Checklist is provided for your reference).
- Owner calls NMAI to confirm that any inspection fail items noted in the initial inspection have been

repaired. Upon receipt of this call, NMAI will schedule and complete a re-check inspection. The date the unit passes inspection is the date the owner reports the repairs are completed (subject to the NMAI inspector confirming the completed repairs at the recheck inspection).

## **EXECUTION OF THE HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT**

- H. The effective date of the Housing Assistance Payment (HAP) contract and lease is the later of:
1. Date client accepts keys to the unit;
  2. Date the unit passes HQS inspection;
  3. Day following move out from previous unit, if the client is a program participant; or
  4. Date the rent amount is approved

**If the tenant moves into the unit before the effective date of the HAP Contract, the tenant is responsible for the full contract rent.**

- I. The term of the HAP contract begins on the effective date (as described in section H. above) and ends on the last day of the month the lease term ends and must be a minimum of 365 days apart, if the lease term is one year. The SCCHA will not pay any housing assistance payments to the owner until the HAP contract has been executed.
- J. A HAP contract and a Mandatory Lease Information form will be sent to the owner/agent to complete and sign. The HAP contract should be executed within 60 days. These documents will contain the following HUD required information which must match the owner's lease agreement:
1. Names of all members of the Household
  2. Unit address
  3. Lease start and end date
  4. Monthly total rent amount
  5. A list of the utilities and appliances provided to the unit and whether the tenant or owner is responsible paying for each

The owner **must attach a copy of the HUD Tenancy Addendum to the lease and the lease must contain the language "The HUD Tenancy Addendum is incorporated by reference into this lease."**

- K. The tenant pays the security deposit and their portion of the rent directly to the owner/agent. Tenant moves in.
- L. The first HAP check will be issued within 3-4 weeks after all of the required documents are signed and dated and submitted to SCCHA. Owners are strongly encouraged to sign up for automatic direct deposit. Payments will be deposited on the first business day of each month.

## **AFTER LEASE UP**

- M. Responsibility for payment of utilities cannot be changed and the rent cannot be increased during the term of the initial HAP contract (usually 12 months).
- N. Requests for rent adjustment after the initial term has ended must be served in writing to the tenant with a copy to SCCHA in accordance with the lease but must be received by SCCHA at least 60 days prior to the effective date and no more than 120 days prior. All adjustments are subject to rent reasonableness and SCCHA approval. SCCHA will not approve more than one rent increase per unit within a 12-month period.
- O. No cause evictions are not allowed during the term of the lease. Additionally, SCCHA abides by all local tenant protection ordinances. It is the owner's responsibility to verify which local regulations apply to their properties.
- P. Upon expiration of the initial lease term, the lease can continue on a month-to-month (no notice required) or a new lease can be executed (Landlord is required to serve a 60-day notice in writing to

the tenant and the SCCHA). After the initial lease term ends, any changes to the lease must be submitted in writing to the tenant and SCCHA. The following changes also require a new HAP contract and lease:

1. Changes in utilities and appliance responsibility
2. Change in the start and end date of the lease term

## **ONGOING REQUIREMENTS**

Q. Enforcement of the lease is the responsibility of the landlord. The landlord must immediately report to SCCHA the following:

1. Vacancy for more than 30 days
2. Unauthorized persons residing in the unit
3. Death of a tenant
4. Crime and substance abuse
5. Intent to evict or terminate the lease for any reason
6. Any other serious or repeated violations of the lease

The landlord must provide a copy of any notice served to the tenant to SCCHA. If the tenant is committing serious and repeated violations of the lease, notify SCCHA as this is a breach of the tenant's Family Obligations and can lead to a termination of the tenant's assistance.

R. Housing Quality Standards Inspections:

7. Inspections are conducted biennially. Landlords and tenants are notified in advance of the inspection schedule. Special inspections may also be scheduled upon written request from either the landlord or the tenant.
8. Biennial inspections are conducted to ensure the assisted unit is kept in safe, decent and sanitary conditions. Non-life-threatening" fail items are self-certified verified as corrected. "Life-threatening" fail items will require correction within 24 hours of the date of inspection and a re-check inspection is scheduled to verify. More information about what constitutes a life-threatening fail can be found in SCCHA's Administrative Plan viewable on the website.
9. For non-life-threatening fail items, if the self-certification form verifying completion of repairs is not submitted as required, abatement (HAP is permanently withheld) will be initiated the first day of the month following the repair due date. For life-threatening fail items, if the repair is not completed, abatement will begin the first of the month after the re-check inspection date and the HAP contract will be terminated at the end of the 3<sup>rd</sup> month of abatement.

S. **Change in Ownership:** If there is a change of ownership of the subsidized unit, SCCHA must be immediately notified in writing. The notice must include: name of the new owner, address and effective date of the change. The new owner must be informed that he/she must contact SCCHA and provide the same information. The HAP will continue to be sent to the owner of record until such time SCCHA receives a copy of the recorded grant deed. The new owner will begin receiving HAP payments the month following notification to SCCHA of the change of ownership. SCCHA will not be responsible for re-capturing any HAP payments made in error to the previous owner because of delay in notification of sale.

## IMPORTANT INSPECTION GUIDELINES FOR ELECTRICAL OUTLETS

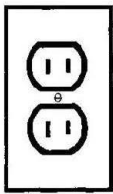
The Santa Clara County Housing Authority (SCCHA) is clarifying for owners the criteria for evaluating the proper operating condition of electrical outlets under HUD's Housing Quality Standards (HQS).

### *Basic Types of Electrical Outlets*

There are two basic types of outlets: two-pronged and three-pronged outlets. Three-pronged outlets may also include Ground Fault Circuit Interrupter (GFCI) protection.

### *Proper Operating Conditions for Outlets under HQS*

#### *Two-Pronged Outlets*



A two-pronged outlet is ungrounded and has a two-wire electrical system that includes only a hot and a neutral wire.

Original two-pronged ungrounded outlets are acceptable under HQS as long as they are in proper operating condition. For two-pronged outlets, the Housing Authority inspector will verify that the outlet is in proper operating condition by ensuring a plugged in appliance or agency-provided outlet tester works.

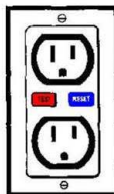
#### *Three-Pronged Outlets*



A three-pronged outlet typically has a three wire electrical system that includes a hot, neutral and a ground wire.

Three-pronged outlets, including upgraded outlets (those changed from two-pronged to three-pronged outlets), are acceptable under HQS as long as the outlet is grounded. For three-pronged outlets, the Housing Authority inspector will verify that the outlet is grounded by using an outlet tester.

#### *Three-Pronged Outlets with GFCI (Ground Fault Circuit Interrupter)*



An outlet with GFCI senses a difference in current flow between the hot and neutral terminals and in unsafe conditions, shuts off the flow of current to the outlet.

Installing a three-pronged outlet with GFCI is a cost-effective method to upgrade from two-pronged to three-pronged outlets without requiring the expensive installation of a new ground wire.

Three-pronged outlets with GFCI are acceptable under HQS as long as the outlet is grounded or has working GFCI protection. For three-pronged outlets with GFCI, the Housing Authority inspector will verify that the outlet is grounded by using an outlet tester. If the outlet is not grounded, the Inspector will trip the GFCI outlet by pressing the test button. If the power shuts off, the outlet is operating safely.

In addition to determining electrical outlets are operating properly, the outlets must be free from electrical hazards (i.e., no missing or loose cover plates, no exposed wires, etc.)