

New Castle County Landlord Feedback Meeting Questions & Answers

Frank Brevoort has given the following disclaimer for all of his answers: “My responses are my opinions and should not be relied upon without independently verifying their accuracy with an attorney or an appropriate, knowledgeable source.”

General Question:

Is there a pathway to get my current tenants on the program who have fallen behind on rent?

Answer: <https://decovidhousinghelp.com/> Tenants struggling with rent due to COVID can apply for DEHAP assistance, as can the landlord through DSHA.

At the moment, decovidhousinghelp.com is where we send most people seeking rental relief. This program can assist with back rent owed and up to 3 months advance rent.

For additional relief funds non-COVID related, tenants can reach out to Delaware Helpline (2-1-1) for additional rental assistance programs. New Castle County provides funding to Lutheran Community Services (302) 654-8886, Neighborhood House (302) 658-5404 and Catholic Charities (302) 655-9624 to assist tenants as well.

Questions to Robert Rizzo:

What is the most frequent question you get from landlord's considering participation in the HUD programs?

Answer from Rob: Who pays for damages to the unit – The answer is the same as if this was a private renter – the client. Court may be the ultimate answer

What is the most common complaint you get from applicant landlords?

Answer From Rob: Not so much a complaint but a common question. Does the Housing Authority keep a list of available units to advertise to the client? The answer is no. Although we previously did so, New Castle County no longer offers this service and NCC advocates using: <https://delawarehousingsearch.com> At this site you can list your unit, the availability to a section 8 renter and amenities offered. Photos can be listed as well.

One confusion is that we can't be sure what exactly the final rent can be as there need to go through calculations (taking out utilities, check income etc). I wonder if this part can be done (in advance) so the clients can bring the form with the rent numbers?

Answer From Rob: The amount that the clients should look for is listed on paperwork they received. This amount does have the utilities and a more accurate rental amount the client should look for.

What percentage of your clients fail to make regular payments?

Answer From Frank: Maybe 5%. It is usually the ones who have a very low amount to pay, so it does not impact my bottom line very much. However, we explain that it is a requirement for them to pay and we will file in court to receive the full rent. Sometimes the case manager chimes in with their agreement. Almost always the tenant gets caught up. The possibility of losing a voucher motivates the tenant to pay.

Answer from Rob: Agree with Frank.

Roberts presentation referenced a Housing Authority that determines the list of standards and handles the RFTA. Is this Housing Authority DSHA or the county?

Answer: It can vary by housing authority - there are 5 total in Delaware. Robert's presentation was specifically about New Castle County's Housing Choice Voucher program, funded by HUD but administered by New Castle County.

Can a tenant with a HCV use the section of the Delaware Landlord Tenant Code to provide 30 days notice to vacate because they are approved at another property that also accepts HCV or would they be required to fulfill their current lease term?

Answer From Frank: HUD allows for a 30-day notice to terminate if the tenant is accepted into a HUD assisted housing unit (usually mid-to-high rises or apartment communities), which usually has a waiting list and are given HUD approval to take tenants who have given 30-day notices. However, if the tenant simply wants to move from my home to a new location that accepts the housing voucher, they must comply with the lease and the L-T Code regarding giving a 60-day notice.

Answer from Rob: Agree with Frank

Who would pay for heating oil? This can be expensive.

Answer From Frank: When submitting the completed application, the landlord specifies what is included in the "rent". If heat is included (the landlord pays for oil or gas, etc.) then more rent assistance is allowed to cover the included utilities. If not, the tenant should budget for a big cash outlay for each oil tank fill and they get credit for paying for the heat. This is such a big problem for both landlord and tenant (not to mention the cost of bleeding lines and starting up a furnace if the tank runs out) that we have, over the years, replaced all our oil furnaces with gas-fired units, with monthly billings from Delmarva Power and lower maintenance costs.

Answer from Rob: Agree with Frank

How does the rent comp analysis work? What system is used to locate the 3 other properties and how wide is the geographical area usually? (I don't completely understand the 'be the lowest' requirement btw.)

Answer From Rob: On the RFTA the landlord will include rentals from other properties that he owns in that locale. NCC will also run "comps" in the area comparing the average rent requested. Zillow, Trulia and redfin are good sources for comparables.

Answer for Frank: In my experience, this applies mostly to units in the same local or neighborhood, which could be owned by the landlord (easy to get numbers from myself) or a different landlord (sometimes a bit difficult to determine) or an apartment community owned by the landlord, which is easy since the landlord knows all the rental rates in the community.

The new inspection company is not providing a fail list during the initial inspection. Mr Rizzo just explained that a fail list should be provided and that list is reinspected after correction is done. Please clarify?

Answer From Frank: All the inspections done by the McCright inspectors results in a report the following day, which can be accessed online by entering the "Inspection Event ID", which is listed on the original inspection notice and all associated paperwork like the card left at the property after the inspection. They also text the landlord with a link and the landlord can see the results even if not near a computer, so notification is quick. Emergency items require a 24-hour correction (non-working smoke detectors, no heat, etc.) Usually I get a call from the inspector right away for emergency repairs. Other items must be completed before the next scheduled inspection, which is usually a month away.

Answer From Rob: Agrees with Frank

We are seasoned landlords, with 60% of our units under the program. Can someone address the new inspection process, as we have had some struggles with this?

Answer From Frank: We believe the McCright inspection process is the best we've ever had with Section 8. I do not know what issues you have, but if it is the lateness of the mail, go online and follow the process in #9 above or call McCright directly.

Answer from Rob: Agree with Frank. Also, NCC is now mailing the inspection results from their office so notification should be within 3 days. If you do not receive results, please call the office and speak to Matt Alexander: 302-395-5696.

Is the Section 8 Program expanding or are they only working on turn over and people leaving?

Answer From Rob: For the last 13 months movement has been very slow due to the COVID crisis. Clients are not leaving the program for obvious reasons. Also, see agrees with Frank's comments below.

Answer From Frank: Replacing tenants that are leaving the Section 8 Program is ongoing. If additional (or reduced) funds are authorized, then the Program expands (or contracts) on an as needed basis. See the more complete answer below.

Answer From Carrie: The U.S. Housing and Urban Development (HUD) allocates funding based on what Congress has authorized as funding for the Housing Choice Voucher Program. The program is never funded at 100% therefore the New Castle County Housing Authority maximizes utilization of the vouchers we administer between 95-97% of utilization. This means we monitor when people leave the program to add additional folks but have taken several hundred people off our most current waiting list over the last two years. It is really a balancing act of funding v. voucher utilization. We are only authorized for 1,825 vouchers so we cannot go over that number.

We are waiting for guidance from the most recently passed American Recovery Act which had additional funding for the Housing Choice Voucher Program – this may give us the ability to provide more vouchers to people on our waiting list but to date we have not received additional guidance from HUD.

Are there tax benefits for the voucher program?

Answer From Frank: Section 8 provides a portion of rent and it is considered "Rental Income" on Schedule E, the same as rent received from the tenant. This would be different if this is public housing or a tax-reduced property, which may get tax breaks its status and adherence to requirements to rent at lower than fair market rents to low-to-moderate income tenants.

As a section 8 landlord, do they hire property managers?

Answer from Rob: About 50/50 on whether they hire a property management property. The more units owned - more need for a manager.

Questions To Frank Brevoort:

Are you allowed by law requesting visiting current housing?

The only "law" that I know applies has to do with fair housing and I must treat all applicants for a particular property the same. So, if I visit the current resident of one applicant, then I should visit the current resident of all applicants. There is no law that I know of now that says I cannot visit their home, only a law that says I must treat everyone the same.

Visiting the perspective tenants current home before moving through your on-boarding process is a great tip. How do you communicate this with a potential tenant without seeming abrasive or better yet getting into any legal issue?

I ask permission to visit the tenant at their home and to not inconvenience them, I offer to stop by their home. I often have items I need to discuss about their application. Once inside, I ask if they would give me a tour of the home as I am interested in seeing how other landlords fix up their properties or I want to see the ceiling leak they claim was never fixed (truth on the application is a requirement as well as an indication of how truthful they will be later if they do not pay rent, etc.). Ultimately, though, when given push back by the prospective tenant, I explain that I am handing over keys to a property, which is valued over \$100,000 and it is my policy to

visit prospective tenant's homes to see how they take care of the property in which they live. They can delay the appointment a little to "clean up", but they will not have time to: fill and paint holes in the walls, fix and reattach broken kitchen cabinet doors/drawers, kill all the roaches (if they have them), remove key locking handsets on bedroom doors, or fix other tenant-caused damage or neglect. Some tenants "use up and destroy" a residence. Others take care of them. This is one of the reasons why we are skeptical of persons who are "staying in a hotel room" or "living with family or friends", as we cannot evaluate how they take care of their residence. Many poor housekeeping tenants realize that I used what I found in my visit, along with other considerations, to deny their application and they were OK with it. I had one person recently set a time to meet and then challenge the reason for meeting saying she wanted to "delay" the meeting an hour and then two days and then say I should not come at all. I explained that was fine and certainly her decision. However, to be considered for my property (a fire job I just spent \$80,000 renovating), she would have to agree to a visit. Ultimately, we parted ways without a visit and I was very happy that I avoided both a "confrontational tenant" and, probably, a "poor house keeper". I work hard to be considerate of all persons, even when talking to them about this or even when taking them to court for rent and possession. Life is too short to do otherwise.

Question to Dana Mitchell:

Do any of your programs bypass Newark Housing Authority that has authority over Center Newark?

Answer From Dana: Contacting DSHA may be a good contact. Unfortunately, I don't know of any others offhand.

Answer from Frank: It is my understanding that DSHA vouchers can be used anywhere in the state and the tenant is supported by a State case manager. Funds are direct deposited from the State directly to the landlord's bank account.

Answer from Carrie: Contacting the Newark Housing Authority would be advised. The number is [\(302\) 388-6692](tel:3023886692).