

# OWNER UPDATE



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"The mission of the Cambridge Housing Authority is to develop and manage safe, good quality, affordable housing for low-income individuals and families in a manner which promotes citizenship, community & self reliance."

## **NEW LAW PROTECTS VOUCHER HOLDERS LIVING IN FORECLOSED PROPERTIES**

On May 20, 2009 President Obama signed the "Helping Families Save Their Homes Act of 2009". The new law protects tenancies of renters in good standing living in properties that are being foreclosed on by lenders. The law includes protections for both market and Section 8 tenants whose tenancies may be at risk due to foreclosure.

Under the new law, the "immediate successor in interest", which is usually a bank or other lender but could be a private owner, is responsible for both the lease between the previous owner and tenant as well as the Housing Assistance Payment (HAP) contract between the owner and the Housing Authority.

The new law makes it clear that foreclosure does not constitute "other good cause" for the purpose of terminating an existing Section 8 lease unless the new owner plans on occupying a Section 8 tenant's unit. The new owner must provide the tenant with at least ninety (90) days notice to vacate the unit when he or she will be occupying the tenant's unit when the property changes hands.

The new law is the minimum protection offered to voucher holders, but makes clear that it does not supersede any state or local laws that provide additional tenant protections.

Although the law took effect on May 20, 2009, it also effects voucher holders living in properties that were already foreclosed on. The law puts responsibility on the immediate successor in interest to honor and abide by the terms of the lease and HAP contract as soon as they take ownership of the property.

While Cambridge is not experiencing the same high foreclosure rates as other parts of the state or nation, CHA believes it is important for owners to know that they cannot terminate tenancies if a property they own is being foreclosed on. In addition, owners becoming the immediate successor in interest of any foreclosed properties must honor any existing leases and HAP contracts in their new properties.

More information on the new law is available online at [www.hud.gov/news/release.cfm?content=pr09-068.cfm](http://www.hud.gov/news/release.cfm?content=pr09-068.cfm)

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## **CHA TO BEGIN USING NEW SOFTWARE TO DETERMINE FAIR RENTS FOR CAMBRIDGE RENTALS**

The Cambridge Housing Authority is nearing implementation of new software that will make determining reasonable Cambridge rents faster, easier and more accurate than ever. In November CHA contracted a real estate market research firm to develop software, linked to detailed rental market data that CHA will use when determining reasonable rents in Cambridge. The market data will be updated annually to ensure that CHA is always offering owners rents that are consistent with the private rental market.

CHA will use the new software and market data for several important business functions:

- *Setting Payment Standards:* Each October the Department of Housing and Urban Development (HUD) publishes its Fair Market Rents (FMRs) for Cambridge. CHA believes that HUD's FMRs do not always accurately reflect the Cambridge market. CHA will use the new software and market data to analyze HUD's FMRs and adjust them if our data supports higher rents than HUD recommends.
- *Determining Rents for New Lease-Ups:* All proposed rents for new tenancies will be run through the new software to make sure that requested rents are reasonable given a unit's location and amenities. The data at CHA's disposal will allow our inspector to compare rents at the neighborhood and even street level, ensuring fair and reasonable rents.
- *Considering Increase Requests:* All proposed rent increases will also be run through the new software to confirm that the requested increases are reasonable. CHA will not however, change its policy of denying increase requests that result in rents in excess of the prevailing Payment Standards, adjusted for tenant supplied utilities.

The implementation of the new Rent Reasonableness software, including the completion of the market study is expected in the coming months. CHA looks forward to having this new tool at its disposal to further ensure that voucher holders' rents are fair and reasonable.

## **NEW INSPECTION PROTOCOL ENTERS SECOND YEAR**

In 2007 CHA changed its policy for inspecting leased units. Under the revised Inspection Protocol CHA no longer inspects each unit once per year. Most units are now inspected every other year and owners are notified in advance of impending inspections in order to make any necessary repairs before CHA's inspector arrives.

CHA is interested in hearing owners' thoughts on how the new protocol is working. Please share your thoughts with Director of Leased Housing Angelica Benzan by email at [abenzan@cambridge-housing.org](mailto:abenzan@cambridge-housing.org) or by mail at 675 Massachusetts Ave., Cambridge, MA 02139.