



Property Owner Partnership Guidebook

Housing Choice Voucher Program

Updated: August 2026



Helping More People.

Helping People More.

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About the Housing Choice Voucher Program

The Housing Choice Voucher (HCV) program, also known as Section 8, is a federal housing initiative administered by the United States Department of Housing and Urban Development (HUD) and managed locally by the Housing Authority of the County of Santa Cruz (HACSC). The program helps participants obtain quality affordable housing on the private rental market by providing monthly rental assistance. Participants pay a portion of rent based on their income, while HACSC pays the remaining balance directly to the property owner.

HCVs are flexible; voucher holders search for housing in the community of their choice, while owners enjoy standard management rights and responsibilities, such as tenant selection. Property owners renting through the HCV program also enjoy certain benefits, including protection against tenant income loss and guaranteed monthly housing assistance payments.

How to Use the Owner Partnership Guidebook

The Owner Partnership Guidebook is intended to help owners navigate the HCV program. The term “owner” is used broadly and refers to both rental property owners and rental property managers.

Owners may wish to refer to the Guidebook to better understand certain regulations or to find an answer to a question. The Guidebook is an appropriate reference for both current owners renting through the HCV program and for owners interested in renting through the HCV program. HACSC recommends that owners maintain a copy of the Guidebook while they have an active lease agreement with a voucher holder.



The Guidebook serves as a general overview of the HCV program but does not discuss all essential aspects leasing to a voucher holder. Additionally, information in the Guidebook is subject to change based on HUD and HACSC rules and regulations. For more information, or for the most recent version of the Guidebook, please visit the HACSC website at www.hacosantacruz.org. You may also contact HACSC staff at (831) 454-9455 or info@hacosantacruz.org.

Housing Choice Voucher Participants

The HCV program helps income-eligible households secure and maintain healthy, safe, affordable housing on the open rental market. Participants can be anyone, including singles, families with young children, or multi-generational families. The HCV program allows seniors to age in place; disabled individuals to live independently; and ensures that teachers, farmworkers, and other hardworking families can live in and contribute to a stronger Central Coast. HCVs provide stability to critical members of our community that would otherwise be priced out of this region's expensive housing market.

Special Purpose Programs

Certain households are eligible to receive a special purpose voucher, which may expedite their acceptance into the HCV program. Owners may also receive a bonus payment for housing a participant with a special purpose voucher (see page 8). Some examples include:

- *Veterans Affairs Supportive Housing (VASH)* – reserved for homeless veterans receiving case management through the United States Department of Veterans Affairs

- *Family Unification Program (FUP)* – reserved for households who have children in foster care, or are at risk of being placed in foster care, due to an instable housing situation

Owner Benefits of the HCV Program

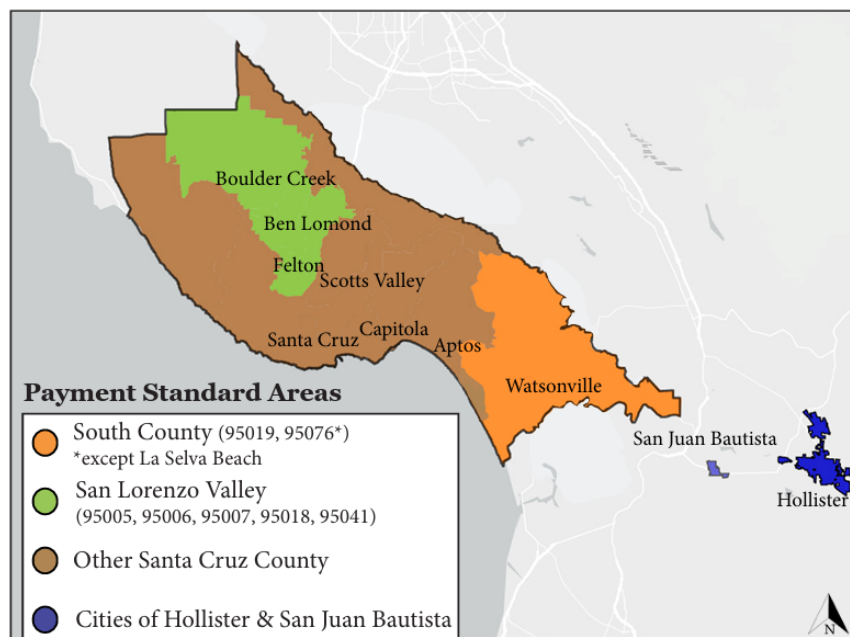
Renting to an HCV participant is a positive business decision. Owners working with the program enjoy:

- ✓ Guaranteed monthly housing assistance payments (HAP)
- ✓ Eligibility for Owner Assurance Program
- ✓ Protection from tenant income loss (HAP is adjusted to cover the difference)
- ✓ Tenant Retention
- ✓ Direct Deposit
- ✓ Program helpline just for owners - call the Leasing Specialist at (831) 454-5917
- ✓ Free property listing

HACSC Jurisdiction

HACSC administers the HCV program for the following communities:

- City of Santa Cruz
- City of Capitola
- City of Scotts Valley
- City of Watsonville
- City of Hollister
- City of San Juan Bautista
- County of Santa Cruz



My Unit is Not in This Area, What Do I Do?

If your property is outside HACSC's jurisdiction and you are interested in renting your unit to an HCV participant, please visit the following link to find contact information for the public housing authority in your area: hud.gov/program_offices/public_indian_housing/pha/contacts.

The Three-Way Partnership

The HCV program is based on three separate but equally-important relationships. Each party has its own set of responsibilities to ensure success in the partnership.

HACSC RESPONSIBILITIES	OWNER RESPONSIBILITIES	PARTICIPANT RESPONSIBILITIES
Determine household eligibility for federal rental assistance	Screen participants who apply for their units	Abide by the terms of the lease
Issue housing choice vouchers to qualified households	Comply with fair housing laws	Pay monthly rent on time
Determine and approve reasonable rent for a housing unit	Maintain and repair the property	Take care of the property
Inspect units in accordance with Housing Quality Standards	Collect monthly rent from the tenant and HAP from HACSC	Provide utilities and appliances not furnished by the owner
Provide participants and owners with professional service	Enforce terms of the lease agreement	Cover damages beyond normal wear and tear
Send HAP to owner in a timely manner	Comply with the HAP contract	Inform when vacating; changes in income or family composition
Uphold and enforce program regulations	Provide HACSC with copies of any notices given to the tenant	Comply with the Family Obligations

Owners' Rights

The Three-Way Partnership ensures that the owner and the tenant have a relationship independent of HACSC. As a result, owners maintain standard rights to manage their property, including:

Tenant Screening

Run background checks, call references, or perform any other relevant screening that you would like

Tenant Selection

Lease to the applicant that is the best fit for your property

Lease Enforcement

HACSC is not a party to the lease, so you maintain control over your property

Security Deposit Collection

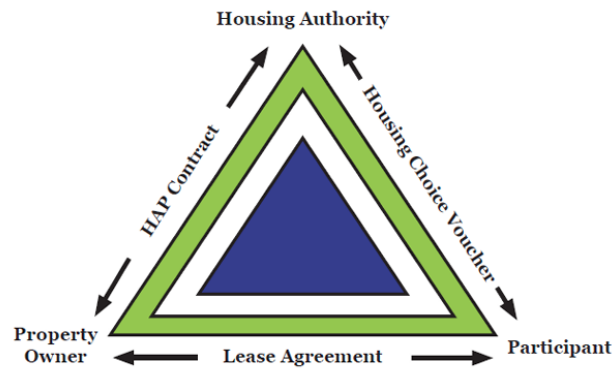
You may charge the tenant any security deposit within the legal maximum

Use of Your Own Lease Agreement

with HUD Tenancy Addendum

The HCV Program does not require a pre-established lease; you decide the terms!





Owner Assurance Program



The Owner Assurance Program is available exclusively to owners that lease to HCV participants. It can reimburse you up to \$5,000 for costs exceeding the collected security deposit related to:

- Damages caused by the tenant
- Unpaid rent & utility balances
- Legal fees associated with lease termination due to lease violations
- Vacancy loss due to lease termination

Owners must submit a claim to the HACSC for review by filling out the Owner Assurance Program Claim Form and attaching all required documentation. For more information, please visit the HACSC website or contact HACSC staff.

Lease-Up Bonus Program

In collaboration with the Housing for Health Partnership, owners in Santa Cruz County will receive a one-time \$2,000 bonus for renting to an HCV participant who holds one of the following special purpose vouchers:

- Family Unification Program
- Family Unification Program – Youth
- Disabled and Medically Vulnerable Homeless Persons
- Welfare-to-Work Program
- Homeless Families with Minors
- Shelter Plus Care
- Veterans Affairs Supportive Housing
- Mainstream – CARES Act

The Lease-Up Bonus Program is not available for units in San Benito County. Please contact HACSC to confirm the voucher type of your prospective tenant.

Am I Eligible to Rent My Unit?

Generally, if you own a housing unit, you are eligible to rent to an HCV participant. An owner would only be turned away in a small number of specific circumstances. However, owners are not permitted to rent to a relative with a voucher unless HACSC approves a reasonable accommodation.

Most housing types are acceptable on the HCV program, including apartments, single-family homes, condos, duplexes, townhouses, and manufactured homes with space rent. You may also rent individual bedrooms in a larger unit, in an arrangement known as shared housing. Housing units that are not acceptable on the HCV program include recreational vehicles, tiny homes, and other structures that have wheels and/or are not anchored with tie-downs.

Owners do not need to pre-register on the HCV program.

How Do I Find a Tenant with a Voucher?

Owners looking to rent to an HCV participant can list their property for free on AffordableHousing.com.

Other listing services and advertising methods may also be beneficial.

Participants interested in your unit will contact you directly to apply. HACSC does not place participants in available units, and it is the owner's responsibility to screen for suitability as HACSC only screens for program eligibility.



How Much is a Housing Choice Voucher Worth?

A housing choice voucher does not have a specific monetary value. Vouchers simply enable the holder to receive rental assistance from HACSC and the amount of rental assistance that it provides can vary greatly.

Five Steps to Leasing to an HCV Participant

Approve a Participant for Tenancy

1

Screen the prospective participant for suitability at your property and discuss terms of the lease agreement.

Complete the Request for Tenancy Approval (RTA)

2

The participant will present to you an RTA packet to fill out. The RTA requests information about the unit, such as the proposed rent rate and who pays for utilities. Submit the RTA by mail, at the HACSC office drop box, or by e-mail to landlords@hacosantacruz.org.

Get Rent Approved

3

The unit must meet affordability guidelines for the participant and HACSC staff may request a lower rent rate from you.

Pass a Housing Quality Standards Inspection

4

HACSC staff will contact you to schedule a Housing Quality Standards inspection at a convenient time.

Sign Leasing Documents

5

Sign the lease agreement with your tenant and provide a copy of the lease to HACSC. Sign the HAP contract that HACSC sends to you.

What Can I Charge for Rent?

The HCV program does not set a universal or national cap on rent. However, the HCV program is designed to ensure that rent is affordable to a participating household when they first move into a unit.

Accordingly, the Housing Authority may be required to ask the owner for a lower rent rate due to certain regulations.

The following chart will help you understand what HACSC must consider when reviewing the proposed rent rate.



Housing Authority Variables

Payment Standard



Maximum monthly rental assistance a tenant can receive

Utility Allowance



Tenant-paid utilities are considered part of gross rent

Rent Reasonableness



Ensures that rent charged to the assisted unit is comparable to similar unassisted units

40% Affordability Rule*



Tenants may not pay more than 40% of their monthly income toward rent

Tenant Variables

Monthly Income*



Tenants typically pay 30-40% of income toward rent

Voucher Size



Determines the payment standard for which the tenant qualifies

Unit Variables

Utility Charges



If the tenant pays for any utilities, a utility allowance is calculated

Number of Bedrooms



Used to determine utility allowance and rent reasonableness

Unit Type



Used to determine utility allowance and rent reasonableness

* Initial Lease Term Only

Rent Calculation & Approval Process

Once an RTA is received, HACSC staff will complete the following steps to calculate the HAP and the tenant portion of rent. Staff will use those values to assess whether the proposed rent rate can be approved under affordability and reasonableness guidelines.

1

Gross rent is calculated (contract rent + utility allowance)

2

Tenant's minimum contribution to gross rent is calculated (typically, 30% of monthly income)

3

Tenant's minimum contribution is subtracted from the lesser of gross rent or the applicable payment standard

4

HAP is set equal to the remaining balance from step 3

5

If gross rent is greater than the payment standard, the tenant's contribution is adjusted to cover the difference

6

Rent reasonableness is determined and the tenant's contribution is checked against the 40% affordability rule. *HACSC may need to request a lower contract rent at this time.*

7

Rent is approved!



Example Rent Calculations

Example A: Susan Jackson is an **owner** and wants to rent her one-bedroom apartment in the City of Santa Cruz for **\$2,700/month**. The tenant is responsible for water, but Susan pays for all other utilities and provides the stove and refrigerator.

Dan Miller is an HCV participant and has a one-bedroom voucher. Dan has a monthly income of **\$3,200**, meaning his **minimum contribution** to gross rent is **\$960** (30% of monthly income) and his **maximum initial contribution** to gross rent is \$1,280 (40% of monthly income).

The **payment standard** for a one-bedroom unit in the City of Santa Cruz is **\$2,878** and the **utility allowance** for water in a one-bedroom apartment in Santa Cruz County is **\$68**.

Contract rent:	\$2,700
Utility allowance:	\$68
Gross rent:	\$2,768
Payment standard:	\$2,878
Lesser of gross rent or payment standard:	\$2,768
Tenant's minimum contribution (30%):	\$960
Housing assistance payment:	\$1,808
Tenant's portion of contract rent:	\$892
Tenant's adjusted contribution:	\$960
Tenant's maximum initial contribution (40%):	\$1,280

→ \$2,700 rent to owner

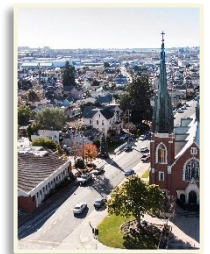


Dan Miller is **eligible** to rent this unit as Dan's total contribution to gross rent is \$960, which is less than 40% of his monthly income.

HACSC would **approve** Susan's proposed contract of \$2,700 if it passes a *rent reasonableness* determination.

Example B: John Smith is an **owner** and wants to rent his three-bedroom single-family home in Watsonville for **\$4,200/month**. The tenant is responsible for all utilities, but the stove and refrigerator are provided by the owner.

Mary Brown is an HCV participant and has a three-bedroom voucher. Mary has a monthly income of **\$5,000**, meaning her **minimum contribution** to gross rent is **\$1,500** (30% of monthly income) and her **maximum initial contribution** to gross rent is **\$2,000** (40% of monthly income).



The **payment standard** for a three-bedroom unit in Watsonville is **\$4,074** and the **utility allowance** for all utilities in a three-bedroom single-family home in Santa Cruz County is **\$540**.

Contract rent:	\$4,200
Utility allowance:	\$540
Gross rent:	\$4,720
Payment standard:	\$4,074
Lesser of gross rent or payment standard:	\$4,074
Tenant's minimum contribution (30%):	\$1,500
Housing assistance payment:	\$2,574
Tenant's portion of contract rent:	\$1,626
Tenant's adjusted contribution:	\$2,166
Tenant's maximum initial contribution (40%):	\$2,000

→ \$4,200 rent to owner

Mary Brown is **not eligible** to rent this unit as Mary's total contribution to gross rent is \$2,166, which exceeds 40% of her monthly income. HACSC would **not approve** John's proposed contract rent of \$4,200 due to the 40% affordability rule and would request a lower rate. John can choose to accept the lower rate for the initial lease term or find a new tenant.

Rent Increases

In the event of a rent rate increase, both the property owner and the participant must adhere to specific procedures to ensure compliance with state, local, and federal laws, as well as HACSC regulations.

Owners need to provide their tenant with a 60-day notice and then give HACSC a copy of the 60-day notice.

The notice must be a dated letter or email addressed to the tenant that includes the address of the rental unit, the proposed rent rate, and the effective date of the increase. All rent increases are subject to rent reasonableness regulations and any applicable state or local laws.

Approved rent increases take effect on the first day of the month, at least 60 days following the submission of the request. Owners can specify a later effective date, not exceeding 90 days from the submission date. Rent increases are always effective on the first day of the month and cannot be implemented in the middle of the current lease term.

The California Attorney General confirmed that AB1482 applies to tenancies assisted with Housing Choice Vouchers. Additionally, HUD encourages HACSC to verify compliance with AB 1482 to ensure compliance with HUD requirements at 982.509. If your rent increase request appears to not comply with AB1482, HACSC will ask you to revise your request.

Housing Quality Standards (HQS) Inspections

HQS guidelines establish the minimum health and safety measures allowed by HUD in HCV-assisted housing. All units must pass an HQS inspection before HACSC may enter into a HAP contract with the owner. HQS is not code enforcement. Inspections occur each time an HCV participant submits an RTA, and at least triennially while the participant continues to occupy it. Certified HQS inspectors will use a HUD Inspection Checklist to ensure that the unit complies with HQS. One failure item on the checklist results in a failed inspection. The owner and participant will be notified of the inspection results.

What Happens if My Unit Fails the Inspection?

For initial inspections, the owner has the option to complete repairs or cancel the RTA. The participant can wait for repairs or search for new housing. Owners should contact us to schedule a re-inspection when corrections have been made. If the failure is during a recurring inspection, the owner is given a deadline to make repairs or HAP will be abated. The owner should submit an HQS Owner Self-Certification form indicating repairs were made or schedule a re-inspection.



Common HQS Fail Items

- Non-functional smoke detectors
- Leaking or insecure faucets
- Inoperable burners on stove/range
- Toilets not properly secured
- Missing outlet cover plates
- Clogged drains
- Exposed wires
- No hot water
- Missing address markings
- Tripping hazards on floor
- Peeling paint
- Missing water heater components

HACSC Quick Facts

- Agency has operated since 1969
- Over 5,000 families receive rental assistance
- Over 1,850 owner partners rent to an HCV participant through housing assistance
- Agency contributes more than \$100 million to the local economy
- Bilingual staff and can assist both Spanish and English speakers

Contact Us

Leasing Specialist
(831) 454-9455 ext. 357
leasing.specialist@hacosantacruz.org

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