

# Housing Choice Voucher (HCV) Process Flowchart

**Resident** submits HCV application and all necessary documentation.

Upon application approval, resident is invited to HCV Briefing. After Briefing, **resident receives voucher** (must sign, date and submit to OCHA). Resident also receives Request for Tenancy Approval (RFTA) packet. They should complete the highlighted area in anticipation of finding a unit.

**Resident begins housing search.** Tools available to assist in search include:

- Affordable Housing List, managed by Housing Access Coordinator.
- Affordability Estimator which provides a range of rents resident can afford.
- For those who cannot find housing in Orange County or prefer to live elsewhere, the [Portability FAQ](#) explains how residents may transfer to another jurisdiction.

**Resident identifies a unit** and verifies that landlord will accept voucher clients. If so, the resident gives their partially-completed RFTA packet to landlord for them to complete and submit to OCHA.

Upon receiving RFTA from owner, OCHA schedules HQS Inspection. Upon the unit passing inspection, **resident signs lease and moves in.** Landlord sends signed lease to OCHA, which then executes Housing Assistance Payment (HAP) contract with landlord. If applicable, OCHA then sends Landlord Incentive (LIP) payment to landlord.

## Benefits of Serving HCV Clients

- Owners receive [Landlord Incentive \(LIP\)](#) payments of \$1000 for signing lease with HCV clients (\$500 for repeating owners).
- OCHA's [Risk Mitigation fund](#) covers damages incurred by tenants up to \$1500. For details on Risk Mitigation and LIP, please contact Housing Access Coordinator (Anna Patterson, [anpatterson@orangecountync.gov](mailto:anpatterson@orangecountync.gov), 919-402-6310).
- Increased housing stability for owners: retention rates are significantly higher for voucher tenants compared to non-voucher tenants.

# How HCV Rent Is Calculated

**Per HUD, tenants pay no more than thirty percent of their income towards rent.**

The payment standard for each unit, which is based on Fair Market Rents in Orange County (<https://www.huduser.gov/portal/datasets/fmr.html>):

Final Fiscal Year 2021 Fair Market Rent For All Bedroom Sizes	
Efficiency	\$972
One-Bedroom	\$974
Two-Bedroom	\$1,134
Three-Bedroom	\$1,493
Four-Bedroom	\$1,715

To determine the affordability of a unit, we first calculate Total Tenant Payment (TTP):

- From Gross Annual Income, deduct \$480 for each minor, and \$400 for disabled/elderly household members.
- Divide by 12 to get monthly amount.
- Multiply by 0.3 (30%) to get TTP. **Thirty percent is the HUD-regulated guideline for the proportion of income that tenants pay for rent.**

In this case, since \$252 is less than 40% of monthly income (\$266), the unit is considered **eligible**. The 40% threshold is HUD-regulated, therefore non-negotiable.

## Other Factors

Factors we must take into account when determining the affordability of a unit:

- **Are utilities included?** If not, the amount of eligible rent will necessarily be lower, because we must allocate a larger portion of tenant income to utilities.
- **Which utility companies service the unit?** Certain companies have higher rates. The Orange County jurisdiction has a much wider variety of utility companies than most Housing Authorities.
- **Is the unit attached (apartment, condo, townhouse) or free-standing?** Houses have higher utility costs, which means rents must be lower to be eligible (see first bullet).
- **Remember:** "Gross Rent" = Rent + Utilities. The higher the utilities are, the lower the rent will need to be to make up for it. Everything must add up to our payment standard, the Fair Market Rent.

For questions or more information please contact the HCV Program Manager:

**Blake Rosser, [brosser@orangecountync.gov](mailto:brosser@orangecountync.gov)**

### Example 1 – Eligible Unit

Gross Annual Income	\$8,865.00
One Child	-\$480.00
Two Elderly People	-\$400.00
Balance	\$7,985/12=\$665.42 \$665.42 x 30% - \$200 TTP
Total Tenant Payment	\$200.00
40% of Monthly Adjusted Income	\$266.00
Payment Standard	\$1,356.00
Rent for three bedroom unit	\$865.00
Utilities for Unit -Tenant furnished utilities	\$226.00
Rent plus utilities (gross rent)	\$1,091.00
<b>Calculation</b>	
Lower of Gross Rent or Payment Standard	\$1,091.00
Minus Total Tenant Payment	-\$200.00
Housing Assistance Payment (HAP)	\$891.00
Tenant Rent (Rent – HAP)	\$26.00
Total Family Contribution (Tenant Rent + Utilities)	\$252.00