

**AASEW’S POSITION PAPER REGARDING PROPOSED
MILWAUKEE COUNTY ORDINANCE #18-139 REGARDING MAKING
TENANTS WITH A RENT ASSISTANCE VOUCHER A PROTECTED CLASS**

The AASEW does not take issue with rent vouchers generally or tenants with rent voucher specifically. The AASEW supports a person’s ability to use a rent voucher in order to be more mobile and to potentially move into different areas of the County that they may not otherwise be financially able to do. Rather the AASEW’s concerns with the Milwaukee County ordinance focus on two key areas. First, there are many concerns with the Rent Assistance Provider (RAP) contract that a rental owner must sign and agree to in order to accept a tenant with a rent voucher. Second, the AASEW has concerns as to how the proposed ordinance will actually work in the “real world.”

1. Concerns with the Rent Assistance Provider (RAP) Contract That A Rental Owner Must Sign and Agree To In Order To Accept a Tenant With A Rent Voucher

- a. The RAP decides what the maximum amount of rent that can be charged by rental owner for the rental property based on a number of factors. Once that maximum amount is determined, a rental owner is prohibited from seeking a higher rent amount from the tenant even if the surrounding area would support a higher rental amount. Simply put, the RAP determines how much rent an owner can charge.
- b. A rental owner would not be able to use a month-to-month tenancy with a tenant that has a rent voucher as the RAP requires the owner to enter into a minimum 12 month lease with the tenant. A month-to month tenancy gives an owner greater flexibility to terminate a tenant’s tenancy if the tenant violates the terms of the rental agreement or rules.
- c. A rental owner must serve the RAP with a copy of any and all notices for failure to pay rent or other breach committed by the tenant during the tenancy that are served on the tenant. If a rental owner fails to do send a copy to the RAP any ensuing eviction action brought against the tenant for said breach may be dismissed as a result of this technicality.
- d. A rental owner’s lease must be approved by the RAP. The owner’s lease must include the RAP’s required “Tenancy Addendum.” If there is a discrepancy between the rental term in the Tenancy Addendum and the owner’s lease, the Tenancy Addendum controls. Ideally the term of the owner’s lease and the Tenancy Addendum will be identical, however, should the Tenancy Addendum be for a term greater than 12 months the rental owner will be prohibited from using a 5 day notice or 14 day notice for failure to pay rent or other breach. Instead the owner will legally be required to only serve a 30 day notice which always affords the tenant 30 days to cure the breach, unless the landlord has included specific language in his or her lease.

- e. It may take a few months for the RAP to pay the landlord its portion of the rent. Sometimes this delay is due to the rental unit not passing the initial required inspection and other times there is no identifiable reason for the delay. Smaller “mom and pop” landlords do not have the necessary reserves to let the RAP’s portion of the tenant’s rent float for 2-3 months.
- f. The RAP Contract does not hold the tenant voucher holder accountable for not paying the tenant’s portion of the rent to the landlord or for causing damage to the landlord’s rental property. Landlord’s would be more likely to enter into the RAP contract and therefore accepting tenants with rent assistance vouchers if the RAP would assist the landlord in collecting on past due amounts owed by the tenant or removing the tenant from the rent assistance voucher program.

2. How The Proposed Ordinance Will Work In The “Real World”

A rental owner will go through the screening process with the voucher applicant. If the voucher applicant doesn’t meet the screening criteria they are denied – end of story.

If the voucher applicant meets the owner’s criteria and is accepted then the owner would review the RAP contract. An owner may learn that similar rental units in the area get \$800 per month in rent but the RA program will only allow the owner to charge a maximum of \$720 for monthly rent. Perhaps an owner prefers to only enter into-month-to-month tenancies with his/her tenants, when the owner learns that the RAP only allows leases for a fixed term. As a result, owner refuses to sign the RAP contract.

The owner will then need to circle back with the rental voucher applicant and advise them that while their application was approved that the owner cannot move forward because s/he will not agree to the RAP contract. In the end this will hurt the applicant the most as they have wasted time and energy and will have to go through the application process again with another rental owner. If enough time passes and voucher applicant has not located an apartment, the voucher subsidy will be lost.

A similar but even worse result for the rental applicant would be if the owner approves the applicant and the owner and applicant sign the owner’s 12 month lease with monthly rent of \$800 per month. The tenant has advised the owner that they qualify for a rent voucher and that the RAP will pay a portion of the rent and the owner says that is fine. The owner then reviews the RAP contract and decides for the reasons set forth in #1 above not to sign the contract. The tenant is now bound by the 12 month lease they signed for \$800 per month and will not be able use her rent assistance voucher.

Again, it is not the rent voucher or the rent voucher holder that is the problem but rather that RAP contract and its terms. In the end it will be the rent voucher applicant that will be harmed.