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6-4-2010

THDA, Petitioner, Vs. Patricia Jackson, Respondent.

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BEFORE THE TENNESSEE HOUSING DEVELOPMENT AGENCY

IN THE MATTER OF:

**THDA,
Petitioner,**

Vs.

**Patricia Jackson,
Respondent.**

DOCKET NO: 32.00-106610J

INITIAL ORDER

This contested administrative case was heard at the Milan Field Office of the Tennessee Housing Development Agency on June 4, 2010, before Steve R. Darnell, Administrative Law Judge, assigned by the Secretary of State and sitting for the Tennessee Housing Development Agency (THDA). Attorney Bruce Balcom represented THDA, and Respondent appeared *pro se*.

The subject of this hearing was the proposed termination of the Respondent's rental assistance because, while receiving Housing Choice Voucher assistance from THDA, Respondent failed to pay her rent in a timely manner which prompted an accumulation of late charges. Upon full consideration of the record, it is determined that the Respondent's participation in the THDA Rental Assistance Program should not be terminated. This determination is based upon the following findings of facts and conclusions of law.

FINDINGS OF FACT

1. Respondent is a participant in the rental assistance program administered by THDA. She recently relocated from one apartment home to another. Upon vacating the apartment she rented from Mundt Rentals, the landlord completed an "Owner's Statement Regarding Unpaid Rent or Damages" form at THDA's request. Obtaining this information from the landlord is standard procedure for THDA when a program client moves from a rental unit.

2. Mundt Rentals is owned by Paul Mundt. Mundt Rentals completed THDA's form and indicated that Respondent owed \$245.40 in past due rents. This past due amount is an accumulation of late charges levied by Mundt Rentals because Respondent paid her rent late.

3. Respondent acknowledges that she occasionally and intentionally did not pay her rent on time in order to force Mundt Rentals to make repairs, spray for insects, and exterminate rodents. In addition to withholding her rent, Respondent has had letters written to Mundt Rentals on her behalf and involved the local building codes official. THDA's representative acknowledged that Mundt Rentals has a history of these type of issues. Mundt's conduct eventually prompted Respondent to relocate.

4. Respondent paid Mundt Rentals in full on February 12, 2010. She is in a new apartment in Chester Park Apartments and is current on her rents at that location.

5. Respondent has been in the program since October 20, 2004 and has maintained a satisfactory record with THDA.

CONCLUSIONS OF LAW

1. As the party asserting that certain allegations are true, the Tennessee Housing Development Agency has the burden of presenting evidence to prove, by a preponderance of the evidence, that the Respondent violated her obligations under the THDA program and that, as a result, her participation in the Housing Choice Voucher program may be terminated. *See, Winford v. Hawissee Apartment Complex*, 812 S.W. 2d 293, 295 (Tenn. App. 1991); Rule 1360-4-1-.02(3),(7), TENN. COMP. R. & REGS.

2. Section 8 of the Housing Act of 1937 was designed "[f]or the purpose of aiding low-income families in obtaining a decent place to live..." and authorizes rental assistance payments to eligible families who rent existing housing. U.S.C. § 1437f(a); *see also, Davis v. Mansfield Metropolitan Housing Authority*, 751 F. 2d 180, 183 (6th Cir. 1984). The Housing Act was amended by Congress in 1974 to add the voucher program. 42 U.S.C. § 1437f(o). The Housing Choice Voucher program is administered by local public housing agencies, such as Tennessee Housing Development Agency. Once issued a voucher, a participating family obtains a suitable residence, and the rent is subsidized by the federal government. *See generally, Wojcik*

v. Lynn Housing Authority, 845 N.E. 2d 1160, 1162, n. 2 (Mass. App. 2006) [brief overview of Section 8 voucher program].

3. Among other reasons, a public housing agency may terminate a family's Housing Choice Voucher if the "family violates any family obligations under the program". 24 C.F.R. §982.552(c)(1)(i). Included in the "family obligations under the program" are the requirements that participants pay their rent in a timely manner.

4. The provisions of 24 CFR 982.551, *et seq.*, are incorporated in the THDA Section 8 Rental Assistance Administrative Plan, as required by Rule 0770-1-5-.10, TENN. COMP. R. & REGS., and govern the THDA Rental Assistance Program. [See Chapter 15, Family Obligations/Responsibilities, THDA Section 8 Rental Assistance Administrative Plan.] Violation of the obligations imposed by the Federal Regulations and the Rental Assistance Administrative Plan provides sufficient grounds for termination of THDA assistance. [See Chapter 11, Termination of Assistance, THDA Section 8 Rental Assistance Administrative Plan.]

5. THDA receives limited government funding for its Rental Assistance Program. As a result of that limited funding, when program participants, such as the Respondent, receive assistance while disregarding the rules of the program, others in the community must be denied assistance to which they might otherwise be eligible. THDA policies, as reflected in the Administrative Plan, dictate that sanctions must be imposed on program participants who abuse the program, and prevent others from receiving its benefits.

ANALYSIS

It is not disputed that the unpaid amounts to Mundt Rentals were late charges and not Respondent's monthly rental payments. It is not disputed that Respondent intentionally withheld her monthly payments until Mundt Rentals corrected maintenance issues. Mundt's unwillingness to maintain his properties is clear. Although THDA cannot condone Respondent's self-help measures, her actions are understandable. The appropriate action would have been to report the matter to THDA and/or relocate. These actions would not have jeopardized Respondent's continued participation in the program.

Additionally, the record reveals that Respondent had been a participant in the program since 2004 with a satisfactory record. She has relocated and is current on her monthly rents with her new landlord. Finally, she has paid the arrearage in full to Mundt Rentals. The aggregation of these facts, negate THDA's decision to terminate her rental assistance.

IT IS THEREFORE ORDERED that Respondent's participation in the rental assistance program should not be terminated.

This Order entered and effective this 2nd day of July, 2010.

Steve R. Darnell
Administrative Law Judge

Filed in the Administrative Procedures Division, Office of the Secretary of State, this 2nd day of July, 2010.



Thomas G. Stovall, Director
Administrative Procedures Division