

Master Leasing 101

What it is

A master lease is a type of lease that gives the lessee the right to control and sublease the property during the lease, while the owner retains the legal title. In this case, a service provider would be the lessee, allowing them to sublease the property to its program participants.

People experiencing homelessness and low-income people are often discriminated against for not having reliable income, for having a housing voucher, or for having previous evictions on their records. Allowing a homeless service agency to master lease units can reduce discrimination barriers and significantly increase access to affordable housing.

Why you would use it

According to 24 CFR 578.51 (b), nonprofits are not allowed to administer rental assistance dollars and are only able to use leasing dollars for Transitional Housing programs. A master lease would allow an agency to lease property for a participant instead of paying rental assistance for a unit.

A master lease also allows participants to quickly gain access to units because the agency already holds the master lease.

How to use it

Agency enters a lease with the landlord/property and then has an occupancy agreement with both the tenant and property. The property may still utilize their typical process i.e. background check.

A note about property owned by your agency- according to 24 CFR 578.49, agencies are prohibited from using leasing dollars for a property owned by the recipient, subrecipient, parent, or related organization unless HUD grants a good-cause exception. More information can be found in 24 CFR 578.49.

Information about property owners interested in entering into master leases, or otherwise working with housing agencies, is included in this document. Please contact them directly to arrange master leasing agreements.

If your agency has properties and would be interested in master leasing to another agency, please reach out to TPCH-NOFO@tucsonaz.gov and we will add your information!



EL PORTAL AFFORDABLE HOUSING PROGRAM

2425 N. Haskell Drive

Tucson, AZ 85716

520-791-5353

For more information email:

elportal@tucsonaz.gov

sonia.valenzuela@tucsonaz.gov

*Quality Affordable Housing in Tucson
Applicants must meet program eligibility requirements*

Individual Applicant Qualification Information: Applies if participant/occupant holds the lease individually

Most applications approved

Household income should be at least 1.5 times the monthly rent

Household income must not exceed 50% of Area Median Income (AMI)

12-month lease terms available

Security deposit equal to one month's rent (payment arrangements available)

Agency Leasing Information: Applies if non-profit agency holds the lease and unit is occupied by agency participants

Security deposit equal to one month's rent

12-month lease terms available

Participant household income must not exceed 50% of Area Median Income (AMI)

Occupants must still pass required background screening

Occupancy agreements for all residents must be on file with El Portal office

Available Floor Plans & Starting Rents

Studio Apartments: Starting at \$650/month – Resident pays electricity

One-Bedroom Units: Starting at \$750/month – Plus applicable utilities

Two-Bedroom Units: Starting at \$850/month – Plus applicable utilities

Three-Bedroom Apartments & Single-Family Homes: Starting at \$1,000/month – Plus applicable utilities

Four-Bedroom Single-Family Homes: Starting at \$1,200/month – Plus applicable utilities

