

HAP Service Component Description

B. RENTAL ASSISTANCE

This component provides payments for rent, mortgage arrearage for home and trailer owners, rental costs for trailers and trailer lots, security deposits, and utilities to prevent and/or end homelessness or near homelessness by maintaining individuals and families in their own residences. Emphasis should be placed on the prevention of homelessness for families with children.

In some cases, rental assistance clients may become scattered-site bridge housing clients. For example, a client requests rental assistance and it is determined that the rental payment to prevent eviction will only prolong the inevitable eviction. More appropriate, the client is in need of a short-term rental subsidy and supportive services to become self-sufficient. The client can be assisted with rental assistance to prevent the immediate threat of homelessness and then become a scattered-site bridge housing client in order to receive the services necessary to assist them in becoming self-sufficient. See Bridge Housing requirements for detail on serving clients under the scatter-site model.

Rental Assistance counties and providers are required to make every effort to ensure that the following procedures are in place:

- permit the client to apply for rental assistance on the same day the applicant visits the office;
- interview the applicant on the same day the applicant applies for rental assistance;
- determine client's eligibility for assistance at the intake interview;
- provide the client with a written decision approving or denying their request for assistance;
- provide the client with written information on their right to appeal denied or terminated services and the process to do so (refer to page 34 for more details on the appeal process);
- provide the client with written information on their right to appeal denied or terminated services to the county and the Department's Office of Hearing and Appeals concurrently;
- utilize collateral contacts to verify homelessness, near homeless, the amount needed to resolve the crisis, and the landlord's agreement to rent to the client in the future or to stop eviction proceedings and follow-up with written documentation.

Clients are required to be homeless or near homeless and

- have an agreement with the landlord to rent to them; and
- have sustainable income sufficient to pay rent in the future or have no income but have reasonable expectations for sufficient income in the next 90 days to maintain rental agreements; and
- have an income at or below 200 percent of the poverty level.

Counties and service providers must establish poverty guidelines for purposes of program eligibility. The maximum level for income eligibility must be between 100 percent and 200 percent of poverty. For example, if a county chooses to set the maximum at 100 percent, then they will serve clients who are at or below 100 percent of poverty. If services are provided to clients with no income, the client file must reflect the reason the case manager made the decision to assist the client. The reason for this requirement is to insure that these funds are not available to clients who will not have sufficient income within the 90-day period.

People who need to escape domestic violence do not need to meet the income guidelines. If they have received rental assistance in the past, the maximum amount allowed may be disregarded. However, HAP funding should be the resource of last resort.

If a county wide disaster occurs, person affected should seek assistance from the Red Cross. Any additional assistance needed by the client may be provided by the HAP. HAP funds are not to replace or duplicate services already available but are to be used in addition to other assistance and only when absolutely necessary. In the event of a county wide disaster, the State HAP Program Manager must be contacted prior to disbursing any HAP funds.

Rental Assistance includes assistance to prevent homelessness or near homelessness by intervening in cases where an eviction is imminent. This may include housing payments paid on behalf of the client for rent, utilities and security deposits. The program may also be used to expedite the movement of people out of shelters into existing housing. Clients may receive up to a maximum of **\$1,000** for adult-only families or households or **\$1,500** for families or households with children during a consecutive 24-month period. The 24-month period begins with the issuance date of the first check. When determining client eligibility, providers are not required to ascertain whether or not the client has received HAP assistance from another county in the past 24 months. Assistance may be provided in a lump sum or in incremental payments. The program must establish written agreements with clients which describe the clients' obligation in the service plans and the distribution of the rental assistance payments. Counties may choose to use funds to move clients from one county to another county. If a county chooses to provide funding to move a client to another county, the county may want to contact the HAP in that county to inform them of the services provided and the payment amount in order to avoid duplication of services.

The definition of a household is provided to assist in determining the client's income and resources. A "household" is defined as one or more persons, related or unrelated, who reside or intends to reside in a common residence. The total income and resources of each adult person (18 years of age or older) must be counted in determining eligibility for services under rental assistance. If a rental assistance payment is issued, the total amount of the payment should be divided as equally as possible among each adult in the household. This will assist in determining eligibility if an adult member of the household returns for services as a member of a new household.

If a household is requesting assistance and an adult member in the household has received a rental assistance payment within the past 24 months as a member of another household, the rental assistance agency may issue a payment to the household. However, the maximum amount available to the household (\$1,000 or \$1,500 maximum) must be reduced by the amount that was received by the person who in the past 24 months received a rental assistance payment as a member of another household.

For client reporting purposes, **see Appendix D-3, B.1. for details on reporting carry over clients.**

Counties may choose to establish lower maximum amounts for clients who return to the program requesting services after receiving their maximum amount during a 24-month period or those who may not have received the maximum amount but the 24-month period has expired. Counties must develop a policy requiring these clients' active participation in case management services and follow-through with their goal plan in order to receive services.

Service providers, in conjunction with the county, should maintain flexibility when developing criteria for the disbursement of funds for rent, utilities, and security deposits. For example, an agency may choose to provide only rental assistance or establish a maximum amount of funds to be used for utility assistance.

Rental assistance funds may be used for mortgage arrearage, rental costs, or utility assistance to owners of homes or mobile homes. Mortgage arrearage for home and mobile home owners, mobile home rental costs, and mobile home lot rental payments may be paid on behalf of the client if it is payment of last resort and the need is supported by written documentation.

Persons who are living in subsidized housing and Section 8 housing are eligible to request assistance with their security deposit and first month rent. However, for this population, the county may choose to pay for rental arrearages.

It is strongly recommended that only one service provider receive HAP funds for the provision of rental assistance services in each county. In counties where other agencies funded by different funding sources provide services similar to rental assistance services, a clearinghouse function must be performed to eliminate duplication of services and payments to a household.

Applications for assistance must be processed so that the client is served in time to resolve the crisis and prevent the eviction. The service provider must make every effort to interview the applicant on the same day that he or she applies and to determine eligibility at the application interview. Providers in conjunction with the landlord may decide to pay the client's arrearage in incremental or lump sum payments. In some cases it may be necessary to make incremental payments to insure that the client continues with the recommended support services or counseling sessions.

The service provider, where appropriate, should encourage clients to participate in budgeting and money management training in an effort to prevent future rental crises for the client. Case Management should guide the client to become self-sufficient and should be made available to clients for as long as necessary. Those counties that are not capable of providing case management services should refer clients to existing case management services such as Office of Children, Youth and Families; Mental Health; Mental Retardation; etc. Budgeting and money management can be accessed from other agencies and, if necessary, can be paid for with HAP funds under purchased client services.

Any government assistance (federal, state, or local), including FEMA dollars, provided to clients of which the service provider is aware for rental assistance, mortgage assistance, security deposit, and/or utility assistance during any 24-consecutive month period must be included in the calculation of the maximum amount of **\$1,000** (adult-only households) or **\$1,500** (households with children). Assistance received from Low Income Home Energy Assistance Program (LIHEAP) grants are NOT considered in the calculation of the **\$1,000** or **\$1,500** maximum available to the client. Utility payments may be made to clients who are eligible for LIHEAP, if LIHEAP funds are not available.

This component is not intended to be an energy assistance program. Utility assistance is available to the extent that it meets the objective of preventing homelessness for people who are able to afford their housing after assistance is provided.

Hotels, motels, and boarding homes can be considered long-term housing and the county may or may not choose to assist clients with rental assistance payments in these situations. Written documentation of long-term arrangements must be provided and may include a receipt for a security deposit, a signed lease agreement, or other documentation that verifies that this unit will be or has been a long-term living arrangement.

Counties and providers must continue to maintain a relationship with the County Assistance Office to insure that clients with housing emergencies are referred to the appropriate HAP agency. **See Appendix F for more detail on the required coordination.**

Returned Security Deposits: When Rental Assistance funds are used for a security deposit for rent or utilities and at a later time the client moves elsewhere, the program may or may not recoup the security deposit. The service provider may allow the client to use the deposit as security for a new apartment. However, if the security deposit is returned to the county or service provider, they can spend the returned security deposit in the year it was returned regardless of what year the deposit was originally paid. The returned deposit must be shown on the Final Expenditure Report as PROGRAM income and can be expended in any one of the HAP service components.

EXPENDITURES - Rental Assistance

(A) Allowable Expenses:

Personnel: wages and salaries, benefits, and training/conferences.

Operating: office rent, communications, insurance, legal services, audits, office supplies, staff travel, overhead, and systems consultants.

Fixed Assets: equipment.

Rental Assistance payments, including rental payments or arrearage, utility payments or arrearage, lot rental payments, mortgage arrearage for home or trailer owners and security deposits for rental units for clients up to a maximum of \$1,000 for adult-only families or households or \$1,500 for families or households with children within a 24-month period.

Payments for clients facing eviction are only permitted when the service provider has confirmed that the landlord will drop the eviction and continue to rent to the client if rental assistance payment is granted.

(B) Non-Allowable Expenditures

- Assistance towards the purchase of a home.
- Payments for equipment, such as a furnace, water pump, stove, etc.
- Payments of liens.

HAP - Appendix F

Coordination of Rental Assistance Payments with the Title IV-A Emergency Shelter Assistance Program

The Department's Office of Income Maintenance administers the Title IV-A Emergency Shelter Assistance Program through local County Assistance Offices(CAO). This program provides payments for emergency housing needs. Some clients may also be eligible for Rental Assistance services through the HAP. Rental payments to these clients should be coordinated with the CAO in the manner described below.

1. Rental Assistance Referrals to the CAO. Some individuals or families who contact the Rental Assistance agency to request financial assistance to address emergency housing needs may be eligible for the Title IV-A Emergency Shelter Assistance (ESA) program. ESA is an entitlement program that is administered by the CAOs.

All individuals under the age of 21 or families with children under the age of 21 who receive any amount of TANF or cash assistance from DPW should be advised by the Rental Assistance agency to apply for the emergency shelter assistance program at the local CAO.

All other individuals or families may either apply for rental assistance at the Rental Assistance agency or apply for Emergency Shelter Assistance at the CAO, whichever they choose.

2. Determining who to refer to the CAO. Each individual or family who requests funds from the Rental Assistance agency to resolve a housing emergency should be asked the following two questions:

a. Are you under the age of 21 or do you have a child living with you who is under the age of age of 21?

b. Do you receive any amount of cash assistance from the DPW?

If the answer to both of these questions is "yes," the individual or family should be advised to apply for Emergency Shelter Assistance (ESA) at the CAO.

If the answer to one or both of these questions is "no" the individual or family may apply for rental assistance services without first applying for ESA at the CAO.

3. Coordination of Rental Assistance agency and CAO services. In some cases, the maximum ESA payment will not be enough to resolve the applicant's housing emergency. The CAOs have been instructed, in such cases, to contact the Rental Assistance agency and arrange, if possible, for the ESA payment to be combined with available Rental Assistance funds in order to provide the individual or family with the amount of funds needed.

Each CAO is required to have a designated ESA coordinator. The ESA coordinator is responsible for contacting the Rental Assistance agency and arranging for ESA payments to be combined with available Rental Assistance funds in cases where an ESA applicant needs more than the maximum ESA payment to resolve the emergency housing need.

In these cases, the ESA coordinator or their designee will contact the Rental Assistance agency by telephone (or other expedient method, such as by FAX, if a telephone contact cannot be made) and advise the Rental Assistance agency that the applicant individual or family is eligible for ESA, but requires more than the maximum ESA payment to resolve the emergency. The Rental Assistance agency will first check its records to see whether the ESA applicant has received a Rental Assistance payment within the preceding 24 months. If not, the Rental Assistance agency will consider the ESA eligible individual or family to be automatically eligible for a Rental Assistance voucher, subject to the availability of funds, up to the difference between the maximum ESA payment and the maximum Rental Assistance grant.

EXAMPLE: A homeless family meets the eligibility conditions for an ESA payment to provide permanent housing. However, the amount needed for the first month's rent and security deposit is \$600, which exceeds the maximum ESA payment of \$300.

The ESA coordinator contacts the Rental Assistance agency by telephone and requests the Rental Assistance agency to issue a Rental Assistance voucher to the family for the additional \$300 required to resolve the applicant's emergency housing need.

The Rental Assistance agency will check its records to see whether the family has received a rental assistance payment within the preceding 24 months. If not, the family is automatically eligible for the Rental Assistance program. Assuming the funds are available, the Rental Assistance agency will immediately issue a voucher for \$300. **See Cash Assistance Handbook, Emergency Shelter Allowances, Section 138.961, Pages 138-47.**