**Attachment A**



**Guidelines**

FOR

**Consolidated Homeless Grant**

***January 1, 2014 - December 31, 2015***

**DRAFT**

Funded through the

Housing Assistance Unit

Community Services and Housing Division

Department of Commerce

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1. **Overview**

The Consolidated Homeless Grant (CHG) combines state homeless resources into a single grant opportunity to county governments (and other designated entities) under the administration of the Washington State Department of Commerce (Commerce). The CHG is designed to support an integrated system of housing assistance to prevent homelessness and quickly re-house households who are unsheltered. This grant provides resources to address the needs of people who are homeless or at-risk of homelessness, as described in Local Homeless Plans.

***Fund Sources:***

Washington State Home Security Fund, Affordable Housing for All Fund, Transitional Housing Operating and Rent Account, Homeless Housing Program authorized by RCW 43.185C

***Grant Activities***

CHG funds support a variety of activities, including operations of time-limited housing units, rental assistance, and data collection and reporting. Refer to the *Administrative Requirements for* *Consolidated Homeless Grant* for the administrative and system requirements for Lead Grantees and Sub Grantees, coordinated assessments, reporting, legislatively established priorities, and requirements for local homeless plan.

1. **Purpose**

The purpose of the *Guidelines* is to:

* Provide detail on client eligibility;
* Outline the allowable activities for Lead Grantees and Sub Grantees; and
* Provide standards for documenting services and ensuring compliance.

This document is incorporated into Commerce’s CHG and may be modified at any time during the grant period.

1. **Eligibility**

**Housing Status Eligibility**

Lead /Sub Grantees need to first determine the *Housing Status* (homeless, at risk of becoming homeless) of individuals or households they want to support with CHG funds. If providing a bed night in a congregate living facility or program with a maximum length of stay of 90 days or less, no housing status documentation is required.

**At Risk of Becoming Homeless**

An individual or household that will imminently lose their primary nighttime residence within 14 days of the date of application for homeless assistance are at risk of becoming homeless.

People currently housed but are facing eviction and need housing assistance to prevent them from becoming homeless (see Appendix B - Housing Status Documentation Standards). Rent assistance to prevent homelessness must be targeted to those households at highest risk of becoming homeless [Commerce intends to develop language and protocol for this practice].

Households that are no longer eligible for the Housing and Essential Needs (HEN) or the Ending Family Homelessness (EFH) programs and need additional rent assistance, are eligible for CHG rent assistance. The original HEN or EFH eligibility documentation will meet CHG eligibility requirements for homeless verification.

**Homeless**

These people are unsheltered or are living in a temporary housing situation and need assistance in order to obtain housing (see Appendix B - Housing Status Documentation Standards).

* An individual or household who lacks a fixed, regular, and adequate nighttime residence, meaning:
* An individual or household with a primary nighttime residence that is not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; or
* An individual or household living in a temporary living arrangement, including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or government programs.
* An individual who is exiting a system of care:

* Psychiatric hospital or other psychiatric facility,
* Substance abuse treatment facility or detox center,
* Hospital (non-psychiatric),
* Jail, prison, or juvenile detention facility, or
* Foster care home or foster care group home.
* Any individual or household who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a household member, including a child, that has either taken place within the individual’s or household’s primary nighttime residence or has made the individual or household afraid to return to their primary nighttime residence.

**Income Eligibility**

**Income Eligibility for households staying in congregate living facilities supported by CHG Facility Support funds:**

* There are no income eligibility thresholds for households who are homeless and are living in a congregate living facility (single room with multiple households) for up to 24 months (per household).

**Income Eligibility for households staying in single-household units (includes a house or apartment building with bedrooms for individual households and a shared kitchen, bathrooms, etc.) supported by CHG Facility Support funds for 90 days or less within a calendar year:**

* There are no income eligibility thresholds for households provided single-household units supported by Facility Support funding if upon entry it is expected that they will be staying less than 90 days within a calendar year. If on a rare basis a household unexpectedly needs to stay in the single-household unit more than 90 days and up to 24 months, the household’s continued stay is subject to the following income thresholds: households with minor children must be at or below the Very Low (50 percent) Income Limits[[1]](#footnote-1), and households without minor children at or below the Extremely Low (30 percent) Income Limits.

* There are no income eligibility thresholds for households receiving a hotel/motel voucher for 90 days or less because no other housing is available or appropriate.

**Income eligibility for 1) Households receiving rental assistance for up to 24 months, and 2) Households living in single-household units (not congregate living) supported by CHG Facility Support funds for greater than 90 days and up to 24 months is as follows:**

**Homeless**

* Individuals or households ***with*** minor children:
	+ With incomes at or below the Very Low (50 percent) Income Limits for their county are eligible.
* Individuals or households ***without*** minor children:
	+ With incomes at or below the Extremely Low (30 percent) Income Limits for their county are eligible.

**At Risk of Becoming Homeless**

* Individuals or households ***with or without*** minor children:
	+ With incomes at or below the Extremely Low (30 percent) Income Limits for their county are eligible.

**Recertification of Income Eligibility**

A household’s income must be re-certified at least every 6 months or more frequently using the CHG Income Recertification form and must be addressed in the Lead/Sub Grantees CHG policies and/or procedures. To ensure that the re-examination process is completed on time it should begin well in advance of the household’s 6 months in program date. Recertified income information must be updated in HMIS.

Households are no longer eligible for rent assistance when incomes exceed:

* Very Low (50 percent) Income Limits for their county, for households with minor children.
* Extremely Low (30 percent) Income Limits for their county, for individuals or households without children.

When households are determined over income, rent assistance can be extended for up to an additional 3 months and case management can continue for up to an additional 6 months.

Income reassessments are required to be recorded in HMIS every 6 months that a client is engaged in services. It is recommended that the income eligibility recertification and HMIS update be completed at the same time.

**Eligibility for Households with Minor Children**

Households with minor children include persons who are pregnant or who have one or more children under the age of 18. Households whose children are over the age of 18 and under 21 qualify if they are living at home. Pregnant or parenting youth under the age of 18 qualify as independent households if they are legally emancipated or reside in DSHS licensed or approved facilities. Children temporarily absent from the home may be counted as household members.

**Client Fraud**

If you find that a client has defrauded your organization, you are required to report to local law enforcement authorities, inform Commerce, and repay any CHG funds expended on behalf of ineligible clients or expenses.

**4. Documentation of Eligibility**

Lead/Sub Grantees are responsible for verifying and documenting the eligibility of households receiving rent/utility assistance for any length of stay, or bed nights in a program with a maximum length of stay of greater than 90 daysprior to providing CHG funded assistance. They are also responsible for maintaining the CHG Verification of Household Eligibility form and associated documentation in the households’ files.

Commerce allows various types of documentation, ranging from third party verification to applicant self declaration. Minimum acceptable types of documentation vary depending on the type of income or particular housing status and circumstance being documented. General documentation standards, *in order of preference*, are as follows:

* Written Third Party

Verification in writing from a third party (e.g., individual employer, Social Security Administration, welfare office, emergency shelter provider, etc.) either directly to staff or via the applicant is most preferred. Written third party documentation may include standardized forms, such as a verification of income statement.

* Oral Third Party

Verification from a third party (e.g., individual employer, Social Security Administration, welfare office, etc.) provided by the third party over the telephone or in-person directly to staff. Oral third party verification is acceptable only if written third party verification cannot be obtained. *Please note this is different from applicant self-declaration of income. If an applicant orally declares income, it would fall under “applicant self-declaration” below.* See CHG Documentation of Third Party Oral Verification form.

* Applicant Self-Declaration—income and housing status as reported by the household is allowable, but is only acceptable if written or verbal third party verification cannot be obtained. Self-declaration of housing status (e.g., eviction) should be rare; it is always a reasonable choice for victims of domestic violence. See CHG Self-Declaration form.

Lead/Sub Grantees should note that self-declaration of housing status for participants who are at-risk of losing housing is acceptable ONLY in very limited circumstances. Commerce recognizes there may be some unusual cases where a third party is not able to provide documentation that a participant is at-risk of losing housing (e.g., death of a landlord).

**Documentation of Housing Status**

Standards and procedures for documenting Housing Statusare detailed in Appendix B – Housing Status Documentation.

**Documentation of Income**

Department of Social and Health Services (DSHS) Benefits Verification System (BVS) print out is acceptable for any form of income in lieu of other income documentation. If BVS documentation is not available, follow the income definition and documentation standards below.

**Income Definition**

Income is money that is paid to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member. (Victims fleeing domestic violence do not have to report the abuser’s income.) Income includes the current (not projected) gross income (annualized) of all adult (18 years and older) household members and unearned income attributable to a minor.

The definition of income reflects a household’s income at the time they are seeking assistance. Accordingly, documents and information collected to verify income should be recent. Documentation dated within 30 days is acceptable. However, for public assistance benefits, (e.g., SSI, food stamps), a benefits statement received any time within the twelve months prior to the time of application and reflecting current benefits received by a household is allowed. A copy of a recent bank statement indicating direct deposit is also acceptable.

Calculations for determining income must be clearly evident in the client file. In addition the Verification of Household Eligibility Form and income documentation are required and must be kept in the client file.

The following types of income “inclusions” must be counted when calculating current gross income:

* Earned Income
* Self Employment/Business Income
* Interest and Dividend Income
* Pension and Retirement Income
* Unemployment and Disability Income
* TANF/Public Assistance
* Alimony, Child Support and Foster Care Income
* Armed Forces Income

Income Eligibility Documentation Standards are found in Appendix C.

**Annualizing Wages and Periodic Payments**

When calculating income based on hourly, weekly, or monthly payment information, add the gross amount earned in each payment period that is documented and divide by the number of payment periods. This provides an average wage per payment period. Depending on pay periods used by the employer or the schedule of periodic payments, the following calculations convert the average wage into annual income:

* Hourly Wage multiplied by Hours Worked per Week multiplied by 52 weeks
* Weekly Wage multiplied by 52 weeks
* Bi-Weekly (every other week) Wage multiplied by 26 bi-weekly periods
* Semi-Monthly Wage (twice a month) multiplied by 24 semi-monthly periods
* Monthly Wage multiplied by 12 months

**Documentation of Eligibility for Households with Minor Children**

Options for documenting the age of children in a household varies according to age. The CHG Verification of Household Eligibility Form is required; see Section 4 (Eligible Children Verification) for specifics. This requirement applies when CHG funds are used for facility support (90 days up to 24 months) or rent assistance for households with minor children.

**5. Eligible Activities and Expenses**

CHG assistance is not intended to provide long-term support for households, nor will it be able to address all of the financial and supportive services needs of households that affect housing stability. Rather, assistance should be focused on housing stabilization, linking households to community resources and mainstream benefits, and helping them develop a plan for future housing stability.

The five allowable CHG activities plus Performance Funding are on the next page. Details and specific information for each activity are explained on the following pages.

|  |  |
| --- | --- |
|  | **Budget Categories** |
| [**Rent Assistance**](file:///%5C%5Cctedfsoly01%5Cdiv_hs%24%5CHAU%5CPrograms%5CConsolidated%20Homeless%20Grant%20Program%5CGuidelines%5CJan%201%2C%202014-Dec%2030%2C%202015%5Cplaceholder) | [**Facility Support**](file:///%5C%5Cctedfsoly01%5Cdiv_hs%24%5CHAU%5CPrograms%5CConsolidated%20Homeless%20Grant%20Program%5CGuidelines%5CJan%201%2C%202014-Dec%2030%2C%202015%5Cplaceholder) | [**Program Operations**](file:///%5C%5Cctedfsoly01%5Cdiv_hs%24%5CHAU%5CPrograms%5CConsolidated%20Homeless%20Grant%20Program%5CGuidelines%5CJan%201%2C%202014-Dec%2030%2C%202015%5Cplaceholder) | [**Data Collection**](file:///%5C%5Cctedfsoly01%5Cdiv_hs%24%5CHAU%5CPrograms%5CConsolidated%20Homeless%20Grant%20Program%5CGuidelines%5CJan%201%2C%202014-Dec%2030%2C%202015%5Cplaceholder) | [**Administration**](file:///%5C%5Cctedfsoly01%5Cdiv_hs%24%5CHAU%5CPrograms%5CConsolidated%20Homeless%20Grant%20Program%5CGuidelines%5CJan%201%2C%202014-Dec%2030%2C%202015%5Cplaceholder) | [**Performance Funding**](file:///%5C%5Cctedfsoly01%5Cdiv_hs%24%5CHAU%5CPrograms%5CConsolidated%20Homeless%20Grant%20Program%5CGuidelines%5CJan%201%2C%202014-Dec%2030%2C%202015%5Cplaceholder) |
| **Eligible Expenses:** |
| Household rent (including lot for RV or manufactured housing) , utilities, deposits, arrears | 🗸 |  |  |  |  | 🗸 |
| Housing application fees | 🗸 | 🗸 |  |  |  | 🗸 |
| Parking spaces connected to unit | 🗸 |  |  |  |  | 🗸 |
| Background and credit checks, urinalyses costs | 🗸 |  | 🗸 |  |  | 🗸 |
| Moving costs | 🗸 |  |  |  |  | 🗸 |
| Hotel/Motel expenses up to 30 days | 🗸 |  |  |  |  | 🗸 |
| Lease/rent on building |  | 🗸 |  |  |  | 🗸 |
| Utilities |  | 🗸 |  |  |  | 🗸 |
| Maintenance |  | 🗸 |  |  |  | 🗸 |
| Security and Janitorial services |  | 🗸 |  |  |  | 🗸 |
| Essential facility equipment |  | 🗸 |  |  |  | 🗸 |
| Client transportation costs |  | 🗸 |  |  |  | 🗸 |
| Hotel/Motel expenses less than 90 days |  | 🗸 |  |  |  | 🗸 |
| Site management costs |  | 🗸 |  |  |  | 🗸 |
| Facility-specific insurance |  | 🗸 |  |  |  | 🗸 |
| Marketing |  | 🗸 |  |  |  | 🗸 |
| Housing search and placement |  |  | 🗸 |  |  | 🗸 |
| Housing stability |  |  | 🗸 |  |  | 🗸 |
| Outreach |  |  | 🗸 |  |  | 🗸 |
| Inspections |  |  | 🗸 |  |  | 🗸 |
| Data collection and entry |  |  | 🗸 | 🗸 |  | 🗸 |
| Salaries/benefits |  |  | 🗸 | 🗸 | 🗸 | 🗸 |
| Office space, utilities, supplies, equipment, staff travel |  |  | 🗸 |  | 🗸 | 🗸 |
| General liability insurance |  |  | 🗸 |  |  | 🗸 |
| Point-in-time counts |  |  |  | 🗸 |  | 🗸 |
| Housing inventory |  |  |  | 🗸 |  | 🗸 |
| Local homeless plans |  |  |  | 🗸 |  | 🗸 |
| WSQA |  |  |  | 🗸 | 🗸 | 🗸 |
| Coordinated Entry planning/implementation  |  |  |  | 🗸 |  | 🗸 |
| General organization administrative costs not attributed to a specific program |  |  |  |  | 🗸 | 🗸 |
| Permanent Supportive Housing |  |  |  |  |  | 🗸 |

**Rent Assistance**

Rent assistance must be consistently administered according to your program policies and rent assistance calculations must be documented in each client file.

See Section 4 of the guidelines for eligibility determination.

**Housing Stability Plan**

Households receiving rent assistance for greater than 90 days and up to 24 months must have a Housing Stability Plan and it must be kept in the client file.

The household, with the assistance of the case manager, must establish and regularly update a housing stability plan that aids the household in transitioning to stable housing and self-sufficiency.

If the household has an existing plan developed through a relationship with another service provider, the existing plan may be used, but it must be updated upon enrollment in the program.

The housing stability plan must include:

* A household needs assessment
* Short- and long-term goals, including specific housing and self-sufficiency goals
* Action steps with projected completion dates when possible.

**Allowable Expenses**

* Monthly rent, rent and utilities, and any combination of first and last month’s rent for up to 24 months. Rent may only be paid one month at a time, although rental arrears, pro-rated rent, and last month’s may be included in the first month’s payment.
* Utility-only assistance can be provided under very limited circumstances and must be documented using the CHG Utility Assistance to Prevent Homelessness form. Lead/Sub Grantee must confirm that no other [utility assistance](http://www.utc.wa.gov/consumers/energy/Pages/energyAssistance.aspx), such as [LIHEAP](http://www.liheapwa.org/), is available to prevent the shut-off. For example, if the household is going to have to abandon the housing due to a lack of utilities and can avoid moving to a shelter by having utilities paid, then CHG funds may be used for this purpose. Under another scenario, an applicant’s lease may include a provision requiring utilities be maintained for the unit by the tenant. As a result, a utility shut-off could constitute a lease violation, thus placing the household at risk for eviction. In both cases, it is the Lead/Sub Grantee’s responsibility to confirm and document in the case file that the utility company will in fact shut-off the utility if the amount due is not paid.
* Application fees, background and credit check fees for rental housing.
* Lot rent for RV or manufactured home if structure passes necessary housing and lead-based paint inspections.
* Costs of parking spaces when connected to a unit.
* Security deposits, utility and land line phone deposits for households moving into a new unit (or relocating for health or safety reasons) in conjunction with rental assistance.

Security deposits and utility deposits may also be paid for households who are complying with the terms and conditions of their Housing Stability Plan and are moving into permanent housing or are moving from a time-limited housing facility to a transition-in-place rental assistance model.

* Costs associated with household credit checks, reasonable storage costs and landlord incentives (provided there are written policies and/or procedures explaining what constitutes landlord incentives, how they are determined, and who has approval and review responsibilities).
* Reasonable moving costs such as truck rental and hiring a moving company are also allowable. CHG is not a reunification or relocation program and assistance for moving costs related to reuniting households with family members is not eligible unless the participant can live with the family member permanently. If the CHG household has been assessed and determined to meet all eligibility criteria and they have permanent affordable housing identified in another location, funds may be used to pay for reasonable moving costs to another location. However, note that transportation costs (including bus, train, and airplane tickets) for households are not eligible.
* Hotel/Motel expenses for up to 30 days are allowable if unsheltered clients are actively engaged in housing search and no other shelter option is available.
* Rental Arrears. Rental assistance may also be used to pay for up to three months of rental arrears. Rental arrears may be paid if the payment enables the household to remain in the housing unit for which the arrears are being paid or move to another unit. If funds are used to pay rental arrears, arrears must be included in determining the total period of the household's rental assistance, which may not exceed 24 months.

In cases where an eviction cannot be prevented, rental arrears can still be paid if it satisfies the grievance with the evicting landlord and thereby allows the household to obtain different housing. Note that rental arrears can be paid on behalf of a household receiving a subsidy from another public program (e.g., Section 8) because it represents a different time period and cost type than the rental subsidy (i.e., the arrears represents a back payment of the household portion, and the current rental assistance is a forward payment).

* Temporary Absences. If a household must be temporarily away from his or her unit, but is expected to return (e.g., participant violates conditions of their DOC supervision and is placed in confinement for 30 days), Lead/Sub Grantees may pay for the households rent for up to 60 days and charge the grant for eligible costs. While a household is temporarily absent, he or she may continue to receive case management. Any temporary absence must be fully documented in the client file.
* CHG rent assistance may be used for move-in costs including but not limited to deposits and first months’ rent associated with subsidized housing, including project- or tenant-based housing. Rent assistance funds cannot be used for ongoing rent/utilities in this situation.
* Other costs as approved by Commerce.

The following activities are not eligible:

* CHG rent and rent/utility assistance cannot be combined with CHG funded facility support.
* More than 24 months of rent and utility assistance.
* Transportation costs for household members (e.g. bus, train and airplane tickets) related to initial move-in or for any subsequent moves are not eligible CHG costs.
* Furniture
* Pet Deposits. Note: It is an unfair practice for a landlord to charge a tenant with a disability using a dog guide or service animal a pet deposit in addition to any standard cleaning or damage deposit charged to all tenants. (WAC 162-38-100)
* Cable, satellite or internet deposits or services.
* Portability. Households may not transfer their rent assistance to areas outside of the Lead/Sub Grantee’s jurisdiction.

**Allowable Rent Assistance Models**

CHG rent assistance may be applied to tenant-based, project-based or master leasing arrangements. The rent assistance model must be consistent for all households within each individual program.  Each program (defined by program type and location designated a unique row on the housing inventory chart) is allowed only one model and rent assistance calculations must be documented in the client file. An agency may employ more than one model, but only one model may be used per program.

The allowable models:

* Household income: Household rent share is based on a specific percentage of household income (e.g. 30 percent, 40 percent, 50 percent). CHG does NOT mandate any specific tenant contribution.
* Percentage of the rent: Household rent share is a pre-set percentage of the rent (e.g. all households must pay 75 percent of their rent).
* Graduated subsidy: Whether income‐based or fixed, the subsidy declines in “steps” based upon a fixed timeline or when the individual has reached specific goals, until the household assumes full responsibility for monthly housing costs. The steps are known (and documented) in advance and act as deadlines for increasing income.

Lead/Sub Grantee CHG policies and/or procedures *for rent assistance* must include, at a minimum:

* A clear description of the model, rent subsidy/household’s share of rent and utilities and how it is calculated.
* A written policy that specifies whether utility/rent deposits should be returned to the client or to the agency. If deposits are returned to the agency a written procedure for recording the return as program income is also required.

When rent assistance is based on a household’s income (See Income Definition page 3), the following CHG policies and/or procedures must include, at a minimum:

* Minimum tenant payments (if any).
* How utilities impact a household’s subsidy.
* Any requirement for households to report changes in income prior to recertification and how changes in income will impact tenant rent share.

**Lease Requirements**

To receive tenant-based rent assistance a lease (or rent agreement) must be between the Lead/Sub Grantee and the landlord or the household and the landlord. A copy of the lease must be retained in client files.

**Rent Reasonableness**

"Rent reasonableness" means that the total rent charged for a unit must be reasonable in relation to the rents being charged for comparable units in the private unassisted market during the same time period. A Lead/Sub Grantee must determine and document rent reasonableness for all units

for which CHG assistance (including arrears) is provided. Rent Reasonableness must be completed before the subsidy is paid.

This requirement applies when participants are moving into units and when there is a current lease in place.

Rent reasonableness determined from other homeless programs is allowable and must be documented and kept in the client file.

Lead/Sub Grantees must establish rent reasonableness policies and/or procedures which includes the methodology for determination, documentation requirements, and strategies for addressing special circumstances.

See Appendix D for sample *forms* and specific information on how to document Rent Reasonableness.

**Rent Limit/Payment Standard**

In conjunction with determining Rent Reasonableness, the Lead/Sub Grantee must set a Rent Limit/Payment Standard for each unit size based on the number of bedrooms. (Rent Reasonableness helps determine the market rate, and the Rent Limit sets a limit for what will be paid.) The standard is intended to represent the cost (rent and utilities) in the Lead/Sub Grantee’s jurisdiction of moderately priced units.

[HUD’s Fair Market Rent (FMR)](http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr08) is a common Rent Limit guideline.

The maximum amount of CHG funds that can be used to subsidize a unit or a household is 120 percent of HUD’s FMR. Lead/Sub Grantees may allow rents to go higher than 120 percent of the FMR for the jurisdiction overall, however, CHG funds for that unit may not exceed 120 percent of the published FMR. If the rent limit is higher than 120 percent of FMR, the Lead/Sub Grantee must ensure that resources from other entities (not from enrolled households) are available to cover the additional cost of a high-cost unit.

With its own knowledge of market conditions and possibly consulting with local housing authorities who have valuable information about the relationship between actual market rents and the published FMRs, the Lead/Sub Grantee may set the Rent Limit/Payment Standard anywhere within these parameters.

**Housing Inspections**

Lead/Sub Grantees providing rental assistance are required to conduct initial inspections of housing units into which a household will be moving. Housing inspections are not required for households already living in a unit prior to receiving assistance. However, lead-based paint visual inspections may be required (see Lead-Based Paint Inspections below).

* The unit must pass inspection before the subsidy is paid.
* Inspections less than 12 months old performed by other housing providers can be used.
* Complete records of inspections and follow-up actions must be maintained in the household file.

Lead/Sub Grantees may adopt the [HUD Housing Quality Standards (HQS)](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11742.pdf) inspection procedures or the Commerce Housing Habitability Standards (HHS) procedures. If HQS is adopted, inspectors must be certified.

Commerce does not exempt units from having to be compliant with local housing codes. Therefore, if there are requirements that are in both the local housing code and HQS or HHS, the Lead/Sub Grantee must comply with the more stringent of the two. Housing inspections must be documented by the HQS or HHS and maintained in the client file.

**Lead-Based Paint Visual Assessments**

The lead‐based paint visual assessment requirement exists to protect vulnerable families from potential health hazards. To prevent lead‐poisoning in young children, Lead/Sub Grantees must comply with the Lead‐Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R.

A lead‐based paint visual assessment must be completed for all units that meet the three following conditions:

* 1. The household moving into or remaining in their current unit is being assisted with CHG rent/utility assistance/facility support.
	2. The unit was constructed prior to 1978.
	3. A child under the age of six is or will be living in the unit.

A visual assessment must be conducted prior to providing CHG rent assistance to the unit and on an annual basis thereafter (as long as assistance is provided). Visual assessments must be conducted by a HUD‐Certified Visual Assessor (see Appendix E), and must be documented on the HQS or HHS and maintained in the client file.

**Exceptions to the Lead-Based Paint Visual Assessment Requirement**

There are certain exceptions to the requirement. Visual assessments are not triggered under the following circumstances:

* It is a zero‐bedroom or SRO‐sized unit;
* X‐ray or laboratory testing of all painted surfaces by certified personnel has been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead‐based paint;
* The property has had all lead‐based paint identified and removed in accordance with HUD regulations;
* The unit has already undergone a visual assessment within the past 12 months –obtain documentation that a visual assessment has been conducted; or
* It meets any of the other exemptions described in 24 CFR Part 35.115(a).

If any of the conditions outlined above are met, Lead/Sub Grantees need to document the condition.

For a Step-by-Step Guide to Compliance seeAppendix E.

**Facility Support**

Facility Support includes costs directly related to the operation of facilities for congregate living and single-household units for households staying up to 24 months.

Households expected to stay 90 days or less must not be denied housing if they are unable to pay fees, deposits, rents, or other payments. If there are charges for housing, Lead/Sub Grantees must have a policy to ensure those unable to pay are not denied housing.

See Section 4 of the guidelines for eligibility determination.

**Housing Stability Plan**

Households residing in units supported by CHG facility support funds for greater than 90 days and up to 24 months must have a Housing Stability Plan and it must be kept in the client file.

The household, with the assistance of the case manager, must establish and regularly update a housing stability plan that aids the household in transitioning to stable housing and self-sufficiency. If the household has an existing plan developed through a relationship with another service provider, the existing plan may be used, but it must be updated upon enrollment in the program.

The housing stability plan must include:

* A household needs assessment
* Short- and long-term goals, including specific housing and self-sufficiency goals
* Action steps with projected completion dates when possible.

**Allowable Expenses**

* Lease or rent payment on a building. (If a Lead/Sub Grantee owns the building or has a mortgage payment on the building, they may not charge the grant “rent” and then reimburse themselves.)
* Utilities (gas /propane, land line phone, electric, internet, water and sewer, garbage removal).
* Maintenance (janitorial/cleaning supplies, pest control, fire safety, materials and contract or staff maintenance salaries and benefits associated with providing the maintenance).
* Security and Janitorial (salaries and benefits associated with providing security, janitorial services).
* Essential facility equipment and supplies (e.g. common-use toiletries, food served in shelters, bedding, mats, cots, towels, microwave, etc).
* Expendable transportation costs directly related to the transportation of eligible clients (bus tokens and fuel for a shelter van).
* Hotel/Motel expenses for less than 90 days when no suitable shelter bed is available.
* On site and off site management costs related to the building.
* Facility specific insurance (mortgage insurance is not allowable) and accounting.
* Marketing.
* Other expenses as approved by Commerce.

The following expenses are not eligible:

* Direct client services other than those described above.

* Replacement or operating reserves.
* Debt service.
* Construction or rehabilitation of shelter facilities.
* CHG facility support cannot be combined with CHG funded rent and rent/utility assistance unless approved in advance by Commerce.
* Any costs that are the responsibility of the tenant.

**Housing Inspections**

Lead/Sub Grantees using CHG Facility Support funds to support single-household units (not congregate living) in which households will live for greater than 90 days and up to 24 months must conduct a housing inspection at least once a year.

Lead/Sub Grantees may adopt the [HUD Housing Quality Standards (HQS)](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11742.pdf) inspection procedures or the Commerce Housing Habitability Standards (HHS) procedures. If HQS is adopted, inspectors must be certified.

Commerce does not exempt units from having to be compliant with local housing codes. Therefore, if there are requirements that are in both the local housing code and HQS or HHS, the Lead/Sub Grantee must comply with the more stringent of the two. Documentation of housing inspections must be readily accessible for review.

**Lead-Based Paint Visual Assessments**

The lead‐based paint visual assessment requirement exists to protect vulnerable families from potential health hazards. To prevent lead‐poisoning in young children, Lead/Sub Grantees must comply with the Lead‐Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R.

A lead‐based paint visual assessment must be completed for all units that meet the three following conditions:

1. The household moving into or remaining in their current unit is being assisted with CHG rent/utility assistance.
2. The unit was constructed prior to 1978.
3. A child under the age of six is or will be living in the unit.

A visual assessment must be conducted annually. Visual assessments must be conducted by a HUD‐Certified Visual Assessor (see Appendix E), and must be documented on the HQS or HHS and must be readily accessible for review.

**Exceptions to the Lead-Based Paint Visual Assessment Requirements**

There are certain exceptions to the requirement. Visual assessments are not triggered under the following circumstances:

* It is a zero‐bedroom or SRO‐sized unit;
* X‐ray or laboratory testing of all painted surfaces by certified personnel has been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead‐based paint;
* The property has had all lead‐based paint identified and removed in accordance with HUD regulations;
* The unit has already undergone a visual assessment within the past 12 months –obtain documentation that a visual assessment has been conducted; or
* It meets any of the other exemptions described in 24 CFR Part 35.115(a).

If any of the conditions outlined above are met, Lead/Sub Grantees needs to document the condition.

For a Step-by-Step Guide to Compliance seeAppendix E.

**Maintenance for Facility Support**

Maintenance activities are cleaning activities; protective or preventative measures to keep a building, its systems, and its grounds in working order (see examples below). Maintenance activities should fix, but not make improvements that would add value to the building. Building rehabilitation is not an acceptable cost.

Maintenance activities do not include the repair or replacement of fixtures or parts of the building. A fixture is an object that is physically attached to the building and cannot be removed without damage to the building. Fixtures also include but are not limited to kitchen cabinets, built in shelves, toilets, light fixtures, staircases, crown molding, sinks and bathtubs. Maintenance activities do not include systems designed for occupant comfort and safety such as HVAC, electrical or mechanical systems, sanitation, fire suppression, and plumbing.

**Examples of Maintenance Activities**

|  |  |  |
| --- | --- | --- |
| **Cleaning Activities** | **Protective Measures** or preventative measures to keep a building, its systems, and its grounds in working order | **Replacing Existing Appliances or Objects That are Not Fixtures or Part of the Building.** (See preceding paragraph for definition of “fixtures”.) |
| Cleaning gutters and downSpouts | Fixing gutters or floors | Kitchen appliances where removal would not cause any damage (for example dishwashers, stoves, refrigerators) |
| Lawn care (litter pickup, mowing, raking) | Mending cracked plaster | Light bulbs |
| * Cleaning interior or exterior of building\*
 | * Fix roofing or plumbing leaks
 | Washing and drying machines |
| Washing windows | Caulking, weather stripping, re-glazing | Air filters |
| Trash collection | Reapplication of protective Coatings | HVAC window unit |
| Trim trees and shrubs | Plywood, alarm systems, or temporary fencing | Furniture |
| Snow/ice removal | Repainting previously painted surface (including limited scraping)\* |  |
| Unclog sink and toilet | Waterproofing (sealant) |  |
| Neighborhood cleanup | Servicing and maintenance of mechanical systems |  |

\*Non-destructive methods only (e.g., no sandblasting or high pressure spraying).

**Program Operations**

**Allowable Expenses**

Operations are costs specifically attributed to case managers, outreach workers, and/or housing locators (and their supervisors); and other related personnel (such as staff who check in shelter clients, staff the overnight shelter hours and day time activities) and costs specifically related to the CHG such as salaries and benefits for:

* Housing Stability. Includes activities for the arrangement, coordination, monitoring, and delivery of services related to meeting the housing needs of households and helping them obtain housing stability. Services and activities may include: developing, securing, and coordinating services including SSI/SSDI through [SSI/SSDI Outreach, Access, and Recovery (SOAR)](http://www.prainc.com/soar/about/default.asp) activities and case management activities related to accessing Work Source employment services; monitoring and evaluating household progress; assuring that households' rights are protected; and developing an individualized housing and service plan, including a path to permanent housing stability subsequent to assistance.
* Housing stability for TANF eligible households.
* When homeless families are identified in shelter that are likely to be TANF eligible, but are not currently on TANF, the Lead/Sub Grantees shall refer the client to their local Community Services Office or instruct them to complete an on-line application (<https://www.washingtonconnection.org/home/>) within 2 business days of shelter enrollment.
* For already identified TANF families, Lead/Sub Grantees should actively participate with DSHS WorkFirst program specialists and employment partners to assist clients in ending their homelessness and becoming self-sufficient.
* Housing search and placement. Includes services or activities designed to assist individuals or households in locating, obtaining, and retaining suitable housing. Services or activities may include: tenant counseling, assisting individuals and households to understand leases, securing utilities, making moving arrangements, representative payee services concerning rent and utilities, and mediation and outreach to property owners related to locating or retaining housing.
* Outreach. Includes services or assistance designed to publicize the availability of programs to make persons who are homeless or almost homeless aware of these and other available services and programs. Not all households assessed will be eligible for assistance. Time spent assessing a household is an eligible expense under this activity.
* Inspections (see Housing Inspections and Lead-Base Paint Visual Assessments sections)
* Data collection and entry
* Salaries/benefits to monitor Sub Grantees (or can charge in Administration)

* Staff costs to issue rent assistance. This cost is not for case management or the cost of a bookkeeper whose duties extend beyond CHG related activities. This cost is only associated with the appropriate portion of salary and benefits of the bookkeeper who issues checks to landlords, utility companies or paying hotel or motel bills on behalf of a household because it is directly related to the delivery of rent or rent and utility assistance with the CHG funds.
* Office space, utilities, supplies, equipment (up to $1,000 per grant period unless approved in advance by Commerce), telephone, internet, training/conferences/travel/per diem
* General liability insurance and automobile insurance
* Application fees, background and credit check fees for housing.
* Costs of urinalyses for drug testing of clients if necessary/required for housing
* Other costs as approved in advance by Commerce

**Data Collection, Evaluation and Planning**

**Allowable Expenses**

Allowable data collection, evaluation and planning expenses include but are not limited to salaries and benefits, office space, utilities, supplies, equipment (up to $1,000 per grant period unless approved in advance by Commerce), telephone, internet, and training/conferences/per diem specifically associated with the following CHG activities:

* State Data Warehouse and Homeless Management Information System (HMIS)
* Point-in-Time Counts
* Housing Inventory
* Local Homeless Plans
* Washington State Quality Award
* Coordinated Entry Planning/Implementation

Up to five (5) percent of the total grant amount may be used for data collection, evaluation and planning costs and may be shared between the Lead/Sub Grantees.

Data collection and entry (the time a case manager or program staff spend collecting and reporting data in HMIS) may be budgeted under *Program Operations* or *Data Collection, Evaluation and Planning*.

**Administration**

**Allowable Expenses**

Up to 15 percent of total reimbursed costs over the course of the grant period may be used for administration and must be shared between the Lead Grantee and any Sub Grantees. This limit must be reconciled before the end of the grant period.

Allowable administrative costs are those costs that benefit the organization as a whole. They may include the following: executive director/accounting/human resources/IT salaries, benefits, office supplies and equipment (up to $1,000 per grant period unless approved in advance by Commerce); general organization insurance; organization wide audits; board expenses; organization-wide membership fees and dues. This list is not all-inclusive.

General agency facilities costs are also allowable administrative expenses. They include the following: rent, building use allowances, and operations and maintenance costs such as janitorial and utilities. This list is not all-inclusive.

Facility costs directly attributable to the program may be charged to Program Operations.

Administrative and facilities expenses cannot be billed by equal monthly distributions of the budget amount. These costs must be charged to grant cost centers by one of three methods.

* 1. They can be billed directly such as IT services that are billed by the hour.

* 1. They can be allocated by means of a cost allocation plan.

3. They can be charged by use of an indirect cost rate which has been appropriately negotiated and approved.

**6. Termination of Participation, Applicant Denial, and Grievance**

Lead/Sub Grantees must have written termination, denial, and grievance policies and/or procedures. The policies and/or procedures should be readily available to households either in written information or by posting the policy in a public place. It is important to effectively communicate these policies and/or procedures to households and ensure that they are fully understood.

* Termination of Participation and Grievance

Causes for termination may include, but are not limited to, failure to abide by any agreed upon requirements and client misrepresentation. A grievance procedure must include:

* Written notice to the household containing a clear statement of the reasons for termination;
* A review of the decision, in which the household is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision. This may include the household’s right to question or confront staff involved; and
* Prompt written notice of the final decision.
* Denial and Grievance

Causes of denial of assistance include, but are not limited to, the household’s ineligibility or failure to provide verifiable evidence of eligibility, etc. Established procedures should describe:

* Circumstances in which a household may not qualify or would be denied;
* Notification of denial; and
* A household’s right to review a Lead/Sub Grantee’s decision.

**7. Confidentiality of Client Records**

Lead/Sub Grantees must have policies and/or procedures ensuring client records are maintained in a confidential manner as per RCW 43.185C.030 and keep written records or files pertaining to households under lock and key with designated personnel granted access to those files.

**8. Washington Residential Landlord-Tenant Act**

Tenants should be made aware of the Washington Residential Landlord-Tenant Act,

RCW 59.18, and be informed on how to use this law when problems arise.

**For more information visit:**

* Washington LawHelp - Housing Page - Tenant Rights ([www.washingtonlawhelp.com](http://www.washingtonlawhelp.com))
* Washington State Bar Association - Publications, Newsletters, Brochures - Consumer Information Pamphlets ([www.wsba.org](http://www.wsba.org))

 **9. Changes to Guidelines**

Commerce may issue revised or new Guidelines at any time. All Lead Grantees will be sent revised copies as they are published. It is the Lead Grantee’s responsibility to pass on the revisions to Sub Grantees in a timely manner.

**Appendix A**

**Overview of Required Documentation**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Household Eligibility Verification Form & Supporting Documents** |  |  |  |  |  |
|  |  | **HMIS Consent Form** required? | **Homeless Status** | **Income** | **Eligible Children** | **Housing Stabilization** Plan? | **Rent reasonableness** required? | **Executed Lease**required? | **Housing inspection** required? | **Lead paint** **inspection** required? |
| **Homeless** | Congregate Living Facility up to 24 months | 🗸 |  |  |  |  |  |  |  |  |
| Single-household units, <90 days  | 🗸 |  |  |  |  |  |  |  |  |
| Single-household units, ≥ 90 days and up to 24 months | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 |  |  |  |  |
| Rent Assistance | 🗸 | 🗸 | 🗸 | 🗸 | 🗸,≥ 90 days | 🗸 | 🗸 | 🗸 | 🗸 |
| **At Risk of Becoming Homeless** | Rent Assistance | 🗸 | 🗸 | 🗸 | 🗸 | 🗸,≥ 90 days | 🗸 | 🗸 |  | 🗸 |

Appendix A summarizes the documentation required in each client file, depending on the type of service provided.

**Appendix B**

 **Housing Status Documentation**

|  |  |
| --- | --- |
| **Homeless** | **At Risk of Becoming Homeless** |
| **Unsheltered** (place not meant for human habitation) | **Residing in a temporary housing program**  | **Exiting a system of care** | **Fleeing domestic violence**, dating violence, sexual assault, stalking, etc. | **Losing housing within 14 days** | **Nonpayment of rent** | **Nonpayment of utilities**(see program guidelines for eligibility) |
| Third party verification**OR**Self-declaration signed and dated by applicant stating where they are residing. Self-declaration of housing status should be used very rarely and only when written third-party verification cannot be obtained. | Letter signed and dated from the provider of the temporary housing.**OR**A telephone call to the provider of temporary housing that is documented, signed, and dated by the case manager making the call**OR**Current HMIS record from homeless housing program, including dates of stay**OR**Self-declaration signed and dated by applicant stating where they are residing. Self-declaration of housing status should be used very rarely and only when written third-party verification cannot be obtained. | Letter signed and dated by hospital/institution representative. Letter must include:1. Statement verifying current stay of individual, **and**
2. Indicate individual has no housing to which they can return upon discharge
 | Signed and dated self-declaration by applicant | Letter signed and dated from the provider of the temporary residence (e.g. homeowner, landlord, motel owner/manager). Letter must include:1. Statement verifying the applicant’s current living situation, **and**
2. Date when the household must vacate the temporary housing

**OR**A telephone call to the provider of temporary housing that is documented, signed, and dated by the case manager making the call**OR**Self-declaration signed and dated by applicant stating where they are residing. Self-declaration of housing status should be used very rarely and only when written third-party verification cannot be obtained. | “Pay or Vacate” notice or eviction notice**AND**Copy of lease naming individual or household member as lease holder or other written occupancy agreement identifying them as legal tenant of unit. | Copy of lease naming individual or household member as lease holder or other written occupancy agreement identifying them as legal tenant of unit**AND**Utility Shutoff Notice that:1. Identifies the individual or household member, **and**
2. Indicates that utility will be shut off or disconnected if payment not received, **and**
3. Is signed and dated by utility company representative and/or includes utility company contact information

**AND**A statement from the provider that without CHG assistance, the individual/household will lose their housing and become homeless. Staff must first check that LIHEAP or other utility assistance is not available. |

**Appendix C**

**Income Eligibility Documentation Standards**

While Commerce has established standards for various types of income, Commerce recognizes that in some instances only applicant self-declaration may be possible. This method should be used only as a *last resort* when all other verification methods are not possible or reasonable. When using applicant self-declaration, Lead/Sub Grantees must document why a higher verification standard was not used. Be sure to include this in the case file.

Department of Social and Health Services (DSHS) Benefits Verification System (BVS) print out is acceptable for any form of income in lieu of other income documentation. If BVS documentation is not available, follow the income definition and documentation standards below.

***Gross Income*** is the amount of income earned before any deductions (such as taxes and health insurance premiums) are made.

***Current Income*** is the income that the household is currently receiving. Income recently terminated should not be included.

**Type of Income**

|  |  |
| --- | --- |
| **Type of Income** | **Acceptable Types of Documentation** |
| **Wages and Salary** | Obtain copy of most recent pay stub(s) and include in client file.*OR Written 3rd Party Verification* Mail, fax or email verification of income request to employer. At a minimum, written verification must include: name of employer and client name, pay amount and frequency, average hours worked per week, amount of any additional compensation. Copy kept in client file.*OR Oral 3rd Party Verification*Contact the employer by phone or in person. At a minimum, oral verification must include: name of employer and client name, pay amount and frequency, average hours worked per week, amount of any additional compensation and be signed and dated by staff who obtained the information. Copy kept in client file.*OR Self Declaration* Obtain signed and dated self declaration from the client. At a minimum must include source of income, income amount and frequency, and be signed. Copy kept in client file. Case manager must document attempts to obtain written and oral verification. |
| **Self Employment and Business Income** | Obtain copy of most recent federal and state tax return from the applicant and keep copy in client file. *OR Self Declaration* Obtain signed and dated self declaration from the client. At a minimum must include source of income, income amount and frequency and be signed. Copy kept in client file. Case manager must document attempts to obtain written and oral verification. |
| **Interest and Dividend Income** | Obtain copy of most recent interest or dividend income statement from client and keep copy in client file. *OR*Obtain copy of most recent federal and state tax return from the applicant and keep copy in client file.*OR Self Declaration*Obtain signed and dated self declaration from the client. At a minimum must include source of income, income amount and frequency and be signed. Copy kept in client file. Case manager must document attempts to obtain written and oral verification. |
| **Pension/Retirement Income** | Obtain copy of most recent payment statement, benefit notice from Social Security, pension provider or other source. Copy kept in client file.*OR Written 3rd Party Verification*Mail, fax or email verification of income request to Social Security, pension provider or other source. At a minimum, written verification must include: name of income source, income amount. Copy kept in client file.*OR Oral 3rd Party Verification*Contact the source by phone or in person. At a minimum, oral verification must include: Name of income source, income amount and be signed and dated by income source representative. Copy kept in client file.*OR Self Declaration* Obtain signed and dated self declaration from the client. At a minimum must include source of income, income amount and frequency and be signed. Copy kept in client file. Case manager must document attempts to obtain written and oral verification. |

|  |  |
| --- | --- |
| **Unemployment and Disability Income** | Obtain copy of most recent payment statement, or benefit notice. Copy kept in client file.*OR Written 3rd Party Verification*Mail, fax or email verification of income request to unemployment administrator, workers compensation administrator of former employer. At a minimum, written verification must include: name of income source, income amount. Copy kept in client file.*OR Oral 3rd Party Verification*Contact the source by phone or in person. At a minimum, oral verification must include: Name of income source, income amount and be signed and dated by income source representative. Copy kept in client file.*OR Self Declaration* Obtain signed and dated self declaration from the client. At a minimum must include source of income, income amount and frequency and be signed. Copy kept in client file. Case manager must document attempts to obtain written and oral verification. |
| **TANF/Public Assistance** | Obtain copy of most recent payment statement, or benefit notice. Copy kept in client file.*OR Written 3rd Party Verification*Mail, fax or email verification of income request to welfare administrator. At a minimum, written verification must include: name of income source, income amount. Copy kept in client file.*OR Oral 3rd Party Verification*Contact the source by phone or in person. At a minimum, oral verification must include: name of income source, income amount and be signed and dated by income source representative. Copy kept in client file.*OR Self Declaration* Obtain signed and dated self declaration from the client. At a minimum must include source of income, income amount and frequency and be signed. Copy kept in client file. Case manager must document attempts to obtain written and oral verification. |
| **Alimony, Child Support, Foster Care Payments** | Obtain copy of most recent payment statement, notices or orders. Copy kept in client file.*OR Written 3rd Party Verification*Mail, fax or email verification of income request to child support enforcement agency, court liaison or other source. At a minimum, written verification must include: name of income source, income. Copy kept in client file.*OR Oral 3rd Party Verification*Contact the source by phone or in person. At a minimum, oral verification must include: name of income source, income amount and be signed and dated by income source representative. Copy kept in client file.*OR Self Declaration* Obtain signed and dated self declaration from the client. At a minimum must include source of income, income amount and frequency and be signed. Copy kept in client file. Case manager must document attempts to obtain written and oral verification. |
| **Armed Forces Income** | Copy of pay stubs, payment statement, or other government issued statement indicating income amount. *OR Written 3rd Party Verification*Mail, fax or email verification of income request directly from the appropriate armed services representative. At a minimum, written verification must include: name of income source, income. Copy kept in client file.*OR Oral 3rd Party Verification*Contact the source by phone or in person. At a minimum, oral verification must include: name of income source, income amount and be signed and dated by income source representative. Copy kept in client file.*OR Self Declaration* Obtain signed and dated self declaration from the client. At a minimum must include source of income, income amount and frequency and be signed. Copy kept in client file. Case manager must document attempts to obtain written and oral verification. |

**Income Inclusions**

This table presents CHG income inclusions. The following types of income must be counted when calculating gross income for purposes of determining CHG eligibility.

|  |  |
| --- | --- |
| **General Category** | **Description** |
| 1. Earned Income | The full amount of gross income earned before taxes and deductions.  |
| 2. Self Employment/Business Income | The net income earned from the operation of a business, i.e., total revenue minus business operating expenses. This also includes any withdrawals of cash from the business or profession for your personal use. |
| 3. Interest & Dividend Income  | Monthly interest and dividend income credited to an applicant’s bank account and available for use. |
| 4. Pension/Retirement Income | The monthly payment amount received from Social Security, annuities, retirement funds, pensions, disability and other similar types of periodic payments. |
| 5. Unemployment & Disability Income | Any monthly payments in lieu of earnings, such as unemployment, disability compensation, SSI, SSDI, and worker's compensation. |
| 6. TANF/Public Assistance | Monthly income from government agencies excluding amounts designated for shelter, and utilities, WIC, food stamps, and childcare. |
| 7. Alimony, Child Support and Foster Care Income | Alimony, child support and foster care payments received from organizations or from persons not residing in the dwelling. |
| 8. Armed Forces Income | All basic pay, special day and allowances of a member of the Armed Forces excluding special pay for exposure to hostile fire. |

**Income Exclusions**

This table presents CHG income exclusions. The following types of income are not counted when calculating gross income for purposes of determining CHG eligibility:

|  |  |
| --- | --- |
| **General Category** | **Description** |
| 1. Income of Children | Income from employment of children (including foster children) under the age of 18 years. |
| 2. Inheritance and Insurance Income | Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions). |
| 3. Medical Expense Reimbursements | Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member. |
| 4. Income of Live-in Aides | Income of a live-in aide (as defined in 24 CFR 5.403).  |
| 5. Disabled Persons | Certain increases in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671(a)). |
| 6. Student Financial Aid | The full amount of student financial assistance paid directly to the student or to the educational institution. |
| 7. Armed Forces Hostile Fire Pay | The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.  |
| 8. Self-Sufficiency Program Income | a) Amounts received under training programs funded by HUD. b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set side for use under a Plan to Attain Self-Sufficiency (PASS). c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program. |
| 9. Other Non Recurring Income | Temporary, nonrecurring, or sporadic income (including gifts). |
| 10. Reparations | Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. |
| 11. Income from Full-time Students | Annual earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household or spouse). |
| 12. Adoption Assistance Payments | Adoption assistance payments in excess of $480 annually per adopted child. |
| 13. Social Security & SSI Income | Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts. |
| 14. Income Tax and Property Tax Refunds  | Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit. |
| 15. Home Care Assistance | Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home. |
| 16. Other Federal Exclusions | Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609(c) apply, including: The value of the allotment made under the Food Stamp Act of 1977; Payments received under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); Payments received under the Alaskan Native Claims Settlement Act; Income derived from the disposition of funds to the Grand River Band of Ottawa Indians; Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes; Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; Payments received under the Maine Indian Claims Settlement Act of 1980 ( 25 U.S.C. 1721); The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands; Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work study program or under the Bureau of Indian Affairs student assistance programs; Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program); Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.); Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments; The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990; Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, state job training programs and career intern programs, AmeriCorps); Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation; Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990; Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran; Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998. |

**Appendix D**

 **Rent Reasonableness Documentation Standards**

*(Adapted from HUD’s Homeless Prevention Rapid Re-Housing Grant Guidelines)*

# Determining and Documenting Rent Reasonableness

# Determining and documenting rent reasonableness is required under CHG.  It is up to the Lead/Sub Grantees to determine exactly what documentation is required in order to ensure the rent reasonableness standard is met.

Lead/Sub Grantees should determine rent reasonableness by considering: “(a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

Comparable rents can be checked by using a market study, by reviewing comparable units advertised for rent, or with a note from the property owner verifying the comparability of the rent charged to other units owned.”

**Rent Reasonableness Forms and/or Data Sources**

Lead/Sub Grantees must outline requirements for documenting comparable rents and may include specific forms and/or required data sources that must be included in the client file.  A common form to collect data on program units will make the data collection process easier.  Examples of forms and data resources include:

* The Rent Reasonableness Checklist and Certification, available at [www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc](http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc), or other similar forms developed locally;
* Other documentation, such as copies of newspaper advertisements, internet listings, or published rental data sources; and
* Printouts of records from the Lead/Sub Grantees rental housing database (if one exists).

Tip: The Rent Reasonable Checklist is a sample form that is used across different housing programs, and as such, includes some concepts and terms that are not applicable to CHG.

# Components of an Effective Policy

# CHG expects that the Lead/Sub Grantee have established a rent reasonableness policy to ensure that rent reasonableness determinations and documentations are defensible, transparent and consistent across their program. At a minimum, an effective policy includes a methodology, documentation requirements, staffing, and strategies for addressing special circumstances.

Policies should provide step-by-step guidance on how comparisons should be made and what documentation should be included in the case file, including any notes from the staff person making the determination.  For example, Lead/Sub Grantees could create a policy where a provider must consider three units, but the rent paid must be within $50 of the average comparable rents. In this example, a rent paid could actually be slightly higher than any of the individual comparable units, which would be fine according to the Lead/Sub Grantee policy.

**Methodology**

Methodologies for obtaining comparable rents include (but are not limited to):

* Using a market analysis or other published data to determine the appropriate rent ranges for units of different sizes, types, locations, and amenities;
* Obtaining documentation from property owners/managers on current rents charged in comparable unassisted units;
* Obtaining comparable rents on a unit-by-unit basis and requiring a check of, for example, at least 3 other units; or
* A combination of these methodologies.

**Strategy for Addressing Special Cases**

There will be instances where the methodology and process adopted by Lead/Sub Grantee is not sufficient to establish rent reasonableness for a particular unit.  For example, staff may find that the rental housing database they are required to use does not have comparables for units with 6+ bedrooms.  Similarly, rural areas may only find 1 or 2 comparable units instead of the 3 units specified by their protocols.  The Lead/Sub Grantee policies should outline how to address these situations and the documentation required in these cases.  For example, the policy could allow staff to analyze the impact of an extra bedroom on rent for a particular area and calculate a reasonable rent based on their analysis.

Similarly, staff in rural areas may need to either expand the geographic area used to search for comparables and/or establish rent reasonableness on the basis of fewer comparable units.

Again, the documentation in the case files should contain complete documentation, and should outline staff steps, analysis, and conclusions so that an auditor or supervisor can understand the factors that contributed to the determination.

# Sources of Rental Housing Data

# Regardless of the methodology used to determine rent reasonableness, Lead/Sub Grantees should already be aware of sources of rental housing data to use in establishing comparable rents.

**Public Sources of Data**

There may be organizations within the grantee state, county, or city that collect and aggregate data on the rental housing stock, such as a State or local Public Housing Authority (PHA) or the local Chamber of Commerce.

**Real Estate Advertisements and Contacts**

Ads in newspapers or online are simple ways to find comparable rents.  The following are potential sources of information:

* Newspaper ads (including internet versions of newspaper ads);
* Weekly or monthly neighborhood or shopper newspapers that have rental listings;
* “For Rent” signs in windows or on lawns;
* Real estate agents; and
* Property management companies that handle rental property.
* Rental Listing websites including [www.apartmentguide.com](http://www.apartmentguide.com), [www.apartments.com](http://www.apartments.com), [www.forrentmag.com](http://www.forrentmag.com), <http://www.move.com/apartments/main.aspx>, and [www.apartmentlist.com](http://www.apartmentlist.com)

**Rental Market Studies and Surveys**

* A *Rental Market Study* is an in-depth analysis of a particular rental market.  These are often prepared by independent organizations for specific communities.  Also, commercial firms will frequently conduct these studies before developing rental housing in a particular location.  Rental market studies can provide a good source of data upon which to base a rent reasonableness policy.  Appraisals of particular properties and market studies for these properties are also useful in establishing comparable rents, but they are generally prepared by certified real estate appraisers or researchers and are both time-consuming and expensive.
* A *Rental Market Survey* is a survey of various landlords and property management companies in the area.  Some local governments conduct surveys to assist with planning activities.  Additionally, local associations of rental owners and managers may survey their members periodically and publish the results.  Many of these surveys report average rents and/or rent ranges by bedroom category and submarket location.  However, such surveys frequently do not have all the detailed information required for rent reasonableness comparisons.

When deciding whether to use a study or a survey, it is important to note that many rental market surveys are designed to show the overall picture of the rental market and may not be very useful in evaluating the rent for a particular unit type.  On the other hand, a rental market study may be narrowly focused on a particular type of rental housing and might be useful only for certain housing units assisted.

Tip: When using either a market study or a market survey, it is very important to understand what is and is not included in the rent reported. Some surveys/studies report rents with all utilities included, some without utilities included, and others with only the most typical set of utilities included.  When comparing unassisted units with CHG-assisted units, it is important to consider whether utilities and other amenities are included.

**Rental Database**

Some Lead/Sub Grantees have found it useful to build a rental database for CHG, in order to search for comparable rents more efficiently. Building a rental database allows the majority of work to be completed on the front end, which eases the rent reasonableness determination and allows assistance to be provided more quickly.

# Data in Rural Areas

# While there may be fewer rental units in rural areas than in urban and suburban areas, it is possible to find comparable rents or establish rent payment standards for different unit types located in these areas.

* One source of rental housing data for rural areas may be the US Department of Agriculture’s Rural Development Agency.  USDA provides direct and guaranteed loans for single and multi-family housing development in rural areas as well as for farm laborers.  Contact information for Rural Development State and Local Offices or USDA Service Centers is available at <http://www.rurdev.usda.gov/recd_map.html>.  Each Rural Development Office, if it has a Rural Housing component, should have information on the types of rental housing available in various communities throughout the state, as well as unit sizes and rents.
* Some rural communities are also under the jurisdiction of Public Housing Authorities (PHAs).  In these cases, the PHA may be a source of comparable rent data.
* Another potential source of comparable rent data are real estate agents.  Local real estate agents are not only knowledgeable about real estate prices but often are a source of information on rental housing in the area.  They may be able to extrapolate rent comparables based on the general cost of housing in the area.  To find real estate agents active in particular communities, Lead/Sub Grantees can consult the National Association of Realtors on the web at <http://www.realtor.org/>.  For demographic information on the housing stock, market trends, etc., Grantees should access <http://www.realtor.org/research>.

**Appendix E**

**Step by Step Guide to Compliance with**

**Lead Based Paint Visual Assessment Requirements**

Childhood lead poisoning is a major environmental health problem in the United States, especially for low‐income families in poor living conditions. If not detected early, children with high levels of lead in their bodies can suffer from damage to the brain and nervous system, behavioral and learning problems (such as hyperactivity), slowed growth, hearing problems, and headaches. To prevent lead‐poisoning in young children, Lead/Sub Grantees must comply with the Lead‐Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R.

**Disclosure Requirements**

Disclosure requirements are triggered for ALL properties constructed prior to 1978. These requirements require that lessors (property owners or managers) provide tenants with:

* Disclosure form for rental properties disclosing the presence of known and unknown lead‐based paint;
* A copy of the “Protect Your Family from Lead in the Home” pamphlet.

Both the disclosure form and pamphlet are available at: <http://www.hud.gov/offices/lead/enforcement/disclosure.cfm>

While this actually relates to property owners/managers, sharing this information with your clients (or ensuring they have received it) is an easy thing to do. This is an important opportunity to educate clients about the potential hazards related to lead and their rights as tenants. Informed tenants are more likely to watch for potential problems in their home and proactively work with landlords to address any issues.

**Determining the Age of the Unit**

Lead/Sub Grantees should use formal public records, such as tax assessment records, to establish the age of a unit. These records are typically maintained by the state or county and will include the year built or age of the property. In most areas, these records are available online. If you are uncertain where to find this information, a quick internet search should help you locate the data you need. In the search field, try combining your county name with one of the following phrases:

* “property tax records”
* “property tax database”
* “real property sales”

Remember to print out a copy of the screenshot for the case file. If you have trouble finding this information online, contact your local Office of Tax and Revenue for assistance. If not available online, the information is public and can be requested from the local authorities. (Note, the taxing authority and the assessment entity may be separate governmental entities and office names vary by locality).

**Conducting a Visual Assessment**

Visual assessments are only triggered under certain circumstances:

* The leased property was constructed before 1978;

*AND*

* A child under the age of six will be living in the unit occupied by the household receiving CHG rent assistance.

A visual assessment must be conducted prior to providing CHG rent assistance to the unit and on an annual basis thereafter (as long as assistance is provided). Visual assessments must be conducted by a HUD‐Certified Visual Assessor. It is important to note that a HUD‐Certified Visual Assessor is not equivalent to a Certified Clearance Examiner. Anyone may become a HUD‐Certified Visual Assessor by successfully completing a 20‐minute online training on HUD’s website at:

<http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>

The training teaches individuals how to identify deteriorated paint and how deteriorated paint must be treated. Lead/Sub Grantees may choose to have their program staff complete the visual assessments or they may procure services from a contractor.

If a visual assessment reveals problems with paint surfaces, Lead/Sub Grantees cannot approve the unit for CHG assistance until the deteriorating paint has been repaired. At this point, Lead/Sub Grantees must make a decision: work with the property owner/manager to complete needed paint stabilization activities and clearance, work with the household to locate a different (lead‐safe) unit, or refer the client to a different program if CHG assistance cannot be provided.

**Locating a Certified Lead Professional and Further Training**

To locate a certified lead professional in your area:

* Call your state government (health department, lead poison prevention program, or housing authority).
* Call the National Lead Information Center at 1‐800‐424‐LEAD (5323).
* Go to the US Environmental Protection Agency website at <http://cfpub.epa.gov/flpp/> and click on "certified abatement/inspection firms."

Lead professionals, training providers, and HUD‐sponsored Lead Safe Work Practices training listings can be accessed at [www.leadlisting.org](http://www.leadlisting.org) or 1‐888‐LEADLIST.

For more information on the Federal training and certification program for lead professionals, contact the National Lead Information Center (NLIC) at <http://www.epa.gov/lead/pubs/nlic.htm> or 1‐800‐424‐LEAD to speak with an information specialist.

The Lead Safe Housing Rule as well as a HUD training module to help recipients of funds effectively implement the requirements of the Lead Safe Housing Rule in their programs can be accessed at <http://www.hud.gov/offices/cpd/affordablehousing/training/web/leadsafe/>

1. Income limits are established by household size and revised annually by the Department of Housing and Urban Development (HUD). Current income limits for each county can be found at <http://www.huduser.org/portal/datasets/il.html> [↑](#footnote-ref-1)