June 2020

Indiana Housing First Program

Compliance Requirements Policy

Indiana Housing & Community Development Authority

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Section 1: Background

This is the Indiana Housing First Program Compliance Requirements Policy ("Policy") which governs the Indiana Housing First Program ("the Program"). The Program was established in 2017 to provide rental assistance and supportive services to individuals and families with a serious, persistent mental illness, a chronic chemical addiction, or a serious and persistent mental illness with a co-occurring chronic chemical addiction, who are also facing a housing crisis, exiting a residential treatment program, or could exit a residential treatment program with access to affordable housing and supportive services. Program regulations may be found in Indiana Code 5-20-9.

Section 2: Strategy

The Program provides rental assistance and supportive services to individuals and families with serious mental illness and/or chronic chemical addiction who are also facing a housing crisis (as defined in Section 4.1 below). The Program uses a housing first model, meaning that services provided are voluntarily selected by Program participants and are predicated on a harm reduction approach to addiction, rather than mandating abstinence. Rental assistance provided under this Program may not exceed 24 months, with the goal of increasing self-sufficiency and building support networks so assistance does not last longer than is necessary.

2.1 Housing First

Housing First is an approach to quickly and successfully connect individuals and families experiencing a housing crisis to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.[1]

2.2 Critical Time Intervention

The Program follows a Critical Time Intervention ("CTI") approach to providing assistance. CTI is an evidence-based practice that has been demonstrated to be effective at providing housing assistance to individuals with serious mental illness.[2] In addition, the approach is recognized by the Substance Abuse and Mental Health Services Administration ("SAMHSA") in the National Registry of Evidence-based Programs and Practices.[3]

The goal of CTI is to build long-lasting stability and increase the impact of assistance provided by developing a community support network around the individual or household, and by providing support during the time of transition. The supports established are expected to last long after the financial assistance and relationship with the case manager are terminated. CTI is typically split into three phases (Table 1), with each phase typically expected to last two to three months. In practice, an individual may need a longer or shorter duration of assistance, and a case manager should discuss progress with a client to determine when it is appropriate to move to the next phase. CTI case

[1] https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf

[2] Susser, E., Valencia, E., Conover, S., Felix, A., Tsai, W., & Wyatt, R. (1997). Preventing recurrent homelessness among mentally ill men: A ''critical time'' intervention after discharge from a shelter. American Journal of Public Health, 87(2), 256–262.

[3] https://nrepp.samhsa.gov/ProgramProfile.aspx?id=1278

managers typically have small caseloads of approximately 15 clients.

Transition	**Try Out**	**Transfer of Care**
1-3 Months	4-6 Months	7-9 Months
• Case manager provides special support to client • Case manager makes connections to community providers and services • Client meets with providers and starts to build a community support network • Case manager makes frequent home visits • Case manager accompanies client to appointments	• Case manager evaluates operation of support network • Case manager makes adjustments and changes as necessary • Case manager still meets with client regularly, but less frequently	• Case manager monitors connections to community support network • Case manager develops plan with client for long-term goals and begins to set that plan in motion • Project ends support once community support networks are safely in place

Table 1 CTI Phases[4]

A high fidelity CTI Model utilizes a team approach with a minimum of three people on the team. The minimum essential roles of the team are listed below and briefly summarized.

1. Fieldwork Coordinator: is responsible for supporting the CTI worker(s) in the field and setting up good communication between workers and the clinical supervisor, facilitates weekly caseload meeting, knows the caseloads of each CTI worker and ensures progress notes are up to date, and may hold a partial caseload.
2. CTI Worker (case manager): is the primary contact and helps individuals assess needs, identify and strengthen community connections, monitors community support network and mediates when necessary. The CTI worker is also responsible for phase planning and holds a small case load.
3. Clinical Supervisor: holds a clinical degree and is therefore able to provide a clinical perspective, supports the collaboration between client, CTI worker, and community, keeps the morale of the team high and provides a supportive environment for team. May hold a caseload. The Clinical Supervisor is ultimately responsible for monitoring fidelity to the CTI Model.

In depth CTI training opportunities will be offered by IHCDA throughout the grant year and will be required for any agencies and staff that have not yet had CTI training. Some trainings may be required for all agencies, regardless of former training or experience.

2.3 Grant Amount

An eligible applicant (as defined in Section 3 below) may request up to $300,000, but no less than $100,000, in funding in the form of a grant from the Indiana Housing and Community Development Authority ("IHCDA") under the Program. Recipients will be selected through a competitive Request

[4] Table adapted from "Critical Time Intervention: An Empirically Supported Model for Preventing Homelessness in High Risk Groups," by Herman, D., Conover, S., Felix, A., Nakagawa, A., and Mills, D. (2007). *The Journal of Primary Prevention*, 28:295-312: 298.

for Qualifications ("RFQ") process. Recipients may only use grant funds for the eligible activities defined in Section 5 of this policy.

Section 3: Eligible Applicants

Eligible applicants are nonprofit corporations recognized as tax exempt under Section 501(c)(3) of the U.S. Internal Revenue Code, public housing agencies, or units of local government. Each applicant that is awarded funding under the Program may award portion(s) of its awards to one or more sub-grantees to carry out eligible Program activities. The types of eligible sub-grantees are represented in the list below. If an applicant designates a sub-grantee responsible for any eligible Program activity, the applicant still holds responsibility for ensuring that those activities are carried out and comply with all relevant policies and laws.

In order to deliver comprehensive services and to build community support networks, applicants are encouraged to have formal and informal relationships with the following organizations:

- Nonprofit or faith-based organizations providing services to individuals and families in the Program's target population.
- Units of local government.
- School corporations and schools.
- Businesses.
- Public housing agencies.
- Social service providers.
- Mental health providers.
- Hospitals.
- Affordable housing developers and providers.
- Law enforcement agencies and correctional facilities.
- Organizations serving homeless veterans.
- Organizations serving victims of domestic violence.
- Universities.
- Other public or private entities IHCDA considers appropriate to partner with to accomplish the purposes of the Program.

Priority will be given to applicants who have experience administering rental assistance programs. Any current Indiana Housing First recipient must be in compliance with the benchmarks and requirements in its award agreement in order to request an additional Housing First Award.

Section 4: Participant Eligibility & Selection Plan

4.1 Participant Eligibility

Eligible person: An individual with a serious mental illness, a chronic chemical addiction, or a serious and persistent mental illness with a co-occurring chronic chemical addiction, resulting in a housing crisis as defined below.

Households that contain at least one member with a serious mental illness and/or a chronic chemical addiction meet the eligibility requirements so long as all household members are experiencing a housing crisis. The recipient must document the eligibility by having third party documentation from a knowledgeable third-party to verify that one of the above diagnoses applies. HUD's disability verification form may be used as documentation. The recipient must not keep detailed medical records or information about the specific disability in the client file.

For the purposes of this Program, **Housing Crisis** is defined as a situation in which a household does not have sufficient resources or support networks immediately available to maintain safe and affordable housing or to prevent the individual or household from requiring emergency housing. A household will be determined to be in a housing crisis if they meet one of the following conditions:

- They are residing on the street or a place not meant for human habitation;
- They are residing in temporary housing, including emergency shelter, transitional housing, or are currently staying with family or friends on a temporary basis and must vacate within 2 weeks;
- They are facing an imminent court-ordered eviction. A household served under this definition is only eligible for a one time arrears payment to prevent the eviction and prevent homelessness, but can be served with ongoing services.
- They are exiting a residential treatment program within 30 days and do not have immediate access to permanent housing; or
- They are living in an institution or other restrictive setting and could, with stable and affordable housing provided by this Program, along with community and home based supports, live independently in the community.
- They are a current Housing First participant (as of April 23, 2020) who, as a result of the COVID-19 crisis, has experienced a loss of income that is substantially limiting their ability to maintain safe and affordable housing or to not require emergency housing. A household served under this definition is experiencing a new housing crisis and is eligible to receive an additional 12 months of rental assistance.
    - Households only meet this condition if, at the end of the initial 24-month eligibility period, they are unable to maintain their housing due to loss of income as a result of the COVID-19 crisis. Household eligibility under this condition should only be considered at the end of the 24-month eligibility period and the additional 12 months of assistance would begin once the 24-month term was completed.

The recipient must use the Housing Crisis Verification form provided by IHCDA to document the Housing Crisis status.

4.2 Participant Selection Plan & Prioritization

In addition to meeting the eligibility definitions above, recipients must prioritize serving eligible persons who are medically vulnerable and either immediately lacking housing resources or who must immediately exit a residential treatment program. As part of their request for funds, an applicant must define how it will prioritize medically vulnerable households. IHCDA will work with award recipients to finalize and approve their process for identifying and selecting Program participants.

Section 5: Eligible & Ineligible Costs

Program funds may be used to pay for rental assistance and associated housing costs, and certain supportive services for eligible individuals. Administrative costs are also available for administering services pursuant to the Program. Households are not required to receive rental assistance in order to receive supportive services. Rental assistance provided by the Program must be tenant-based, meaning the assistance must be tied to the client, and not to a specific unit or project. Recipients must assist the program participant/household in locating housing but cannot require a household to live in a particular apartment complex, project, building, or unit. Households may choose to rent units owned by the recipient, so long as the recipient does not require households to do so and provides household with other available options. The recipient must consider the long-term affordability of housing for the tenant when assisting the tenant in selecting available units.

Program participants receiving rental assistance must execute a lease with the property owner. Lease terms must not be overly burdensome on the program participant. Initial lease terms must be for no less than 12 months, and leases must be renewable.

Supportive services must be offered to assisted households, but participation in those services cannot be required. If a household chooses not to engage in any supportive services at the time of enrollment, the recipient must offer services at least monthly throughout the duration of the time that the individual/household receives assistance. Programs must operate on a harm reduction approach to addiction, rather than abstinence, while supporting a Program participant's commitment to recovery. Regardless of service participation, Program participants must meet with a case manager at least monthly. Supportive services cannot exceed 20% of the total grant.

5.1 Rental Assistance

At least 70% of the overall grant amount must be used for rental payments and other eligible housing costs as defined below:

Rental Payments

- Rent payments and other housing costs must be paid by the recipient directly to a third-party on behalf of the household. The contract rent (charged by the landlord) plus a utility allowance (if utilities are not included in the rent) must be determined to be reasonable. The recipient must use Go Section 8 to search for comparable units to determine if the rent plus utility allowance is reasonable.
- The household must pay at least 30% of their monthly adjusted income. The program can pay the rest of the rent depending on the subsidy model that the recipient has chosen (see Section 7.6 below).
- Rental payments must be paid one month at a time. Prorated rents and rental arrears payments may be included with the first month's rent.
  - Rental payments are limited to 24 months per household per episode of housing crisis. Any household receiving more than 12 months of assistance must be recertified as eligible to receive additional assistance. See Sections 7.4 and 7.5 below for additional information.
  - The amount of rent paid by the household is determined using the methodology described in Section 7.6 below.
- Monthly rental payments and first and last months' rent if required by owner.
- Security deposits of up to the value of two months of rent.

- Up to three months of rental arrears and associated late fees may be paid if this payment is necessary for the household to obtain or maintain permanent housing.
- If the arrears are paid, the amount of the arrearage must be taken into account when determining the total number of months of rental assistance that the household is eligible to receive.
- Utilities which are included in the rent.

Other Eligible Housing Costs

- Up to three months of utility arrears, if this payment is necessary for the household to obtain or maintain utilities in a unit for which they are receiving rental assistance. If the arrears are paid, the amount of the arrearage must be taken into account when determining the total number of months of rental assistance that the household is eligible to receive.
- Utility deposits and ongoing utility payments (not to exceed the IHCDA published utility allowance for the county) for households receiving rental assistance. The recipient may not pay utilities if the Program participant is receiving utility assistance from another source.
- Application fees or background checks required by the property owner to obtain housing.
- One-time moving fees.

5.2 Supportive Services

Supportive services funds may not exceed 20% of the overall grant amount.

- Employment assistance and job training.
- Substance abuse and addiction treatment.
- Educational assistance.
- Life skills assistance.
- Treatment for, and the management of, mental and physical health problems.
- Developing individualized housing and service plans.
- Transportation assistance.
- Assessment of service needs.
- Legal services.
- Child care assistance.
- Provide housing stability case management services.
- Developing plans, making referrals, or connecting to the types of services listed above.

5.3 Administrative Costs

Up to 10% of the total grant amount may be used for administrative costs.

- Processing claims.
- Supervision of Program staff.
- Reporting, including IHCDA required program evaluation and HMIS costs (see section 7.1).
- Conducting Housing Quality Standards (HQS) assessment.
- Housing search.
- Mediation with property owners and/or landlords.
- Determining participant eligibility.

5.4 Ineligible Costs

- Mortgage assistance, utility payments for homeowners, other costs related to homeownership.

- Lot rent for mobile home or RV.
- Rent or utility assistance for households receiving other housing subsidy.
- Hotel/motel payments.
- Phone, cable, satellite, or internet deposits or services.
- Monthly utility payments for households not receiving rental assistance.
- Renter's insurance
- Furniture and other household items
- Any other costs not listed in this document without specific written permission from IHCDA.

Section 6: Claims Process & Budget Modifications

6.1 Claims Process

Funds are disbursed on a reimbursement basis through claims submitted online at https://online.ihcda.in.gov/. Recipients must submit claims to IHCDA at lease once per month. For information on how to submit a claim and the required documentation, refer to the Partner's Guide to IHCDAOnline. Questions regarding the claims process and access to the system should be submitted to claims@ihcda.in.gov. If the question is on eligible activities, please contact the Housing First Program Analyst.

Required claim documentation:

- Signed Claim Receipt Page(s)-signed by authorized signatory
- Claim Summary Pages
- Other Support Documentation including:
  - General Ledger
  - Invoices/receipts (showing date paid)
  - Financial Narrative Reimbursement Form (provided by IHCDA)

6.2 Budget Modifications

Budget modifications that move funds set aside for one type of eligible cost to another eligible cost are allowable. Line item budget modifications within one larger category, such as supportive services, can happen whenever the recipient chooses and does not require IHCDA's permission. However, when moving funds from one of the overall budget categories to another (rental assistance, administration, supportive services), written permission from IHCDA is required. The budget modification request form and instructions for uploading the form to https://online.ihcda.in.gov/ can be obtained from the Program Analyst.

Section 7: Compliance, Monitoring, & Reporting

7.1 Homeless Management Information System

The Homeless Management Information System ("HMIS") is a secure, electronic data collection system used to determine the nature and extent of homelessness. Data regarding all individuals assisted with the Program's grant funds must be entered into either the Indiana Balance of State or the Indianapolis HMIS.IHCDA will determine the HMIS that the recipient must use based on the geographic location of the project.

The recipient is required to enter data on participants at intake and discharge of the program at a minimum. The recipient is encouraged to utilize the other features of HMIS such as case notes, service tracking, and reporting functions. The data required for entry into HMIS includes at least the following data elements: Name, Social Security Number, Date of Birth, Race, Ethnicity, Gender, Veteran Status, Disabling Condition, Residence Prior to Entry, Zip Code, Length of Stay at Previous Residence, Housing Move-in Date, and Exit Destination. The recipient agrees to collect any other data elements as IHCDA directs. For HMIS assistance or to get registered to use the system, please contact the HMIS Help Desk at: hmishelpdesk@ihcda.in.gov.

7.2 Monthly and Close Out Reports

The recipient must submit all reports as requested by IHCDA. Recipients must submit a monthly report identifying all households served and funds expended. The monthly report must be submitted by the 15th of each month, for the required information about the previous month. A final close out report must be submitted to IHCDA within 30 days after the award expires.

7.3 Housing Quality Standards (HQS)

IHCDA will adopt the Housing Choice Voucher ("HCV") program quality standards for the Program. HCV regulations at 24 CFR Part 982 set forth basic housing quality standards ("HQS") which all units must meet before assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy. HQS define "standard housing" and establish the minimum criteria for the health and safety of Program participants. Current HQS regulations consist of 13 key aspects of housing quality, performance requirements, and acceptability criteria to meet each performance requirement. HQS includes requirements for all housing types, including single and multi-family dwelling units, as well as specific requirements for special housing types such as manufactured homes, congregate housing, single room occupancy, shared housing, and group residences.

All recipients will be required to conduct an HQS inspection of the unit before allowing the beneficiary to move-in. IHCDA will provide additional guidance to recipients on how to conduct an HQS inspection. Recipients may not perform HQS inspections on units they own, or any unit for which the recipient has a financial interest. If a participant chooses to rent a unit owned by the recipient, the recipient should contact IHCDA for further guidance.

7.4 Income Limits

Participants do not have to income qualify at initial enrollment. Rather, initial Program eligibility is based solely on meeting the definition of "eligible person" and "housing crisis" as described in Section 4.1 above. However, income must still be calculated in order to determine the participant's rent contribution. See Section 7.7 for income inclusions and exclusions.

In addition, to receive rental assistance for more than 12 months, the participant household's income must be certified (in accordance with the Section 8 Methodology per 24 CFR 5.609 and 24 CFR 5.611(a)) as having an annual income at or below 30% of the area median income (AMI) as published annually by HUD. This income certification must be conducted <u>no more than 120 days</u> prior to the end of the first year of assistance to determine eligibility for a second year of assistance. Under no circumstances shall the rental assistance for a household extend beyond 24 months.

Recipients may not establish a minimum income requirement for the Program and must accept households with little or no income.

7.5 Recertification

Recipients must document recertification of Program participant eligibility at least once annually if the assisted household is going to receive more than 12 months of rental assistance. The recertification must establish that:

- The Program participant's annual income does not exceed 30% of the AMI as published by HUD, using the Section 8 methodology of calculating and verifying income.
- The Program participant does not have sufficient resources or support networks immediately available to maintain safe and affordable housing or to prevent the individual or household from requiring emergency housing.
- The Program participant household has at least one member with a serious and persistent mental illness and/or a chronic chemical addiction.

If households are determined ineligible at recertification, they may continue to receive rental assistance for one month, and may continue to receive case management for an additional three months following the date of determination of ineligibility to support the household's transition to long-term stability.

7.6 Participant Rent Contribution

Recipients must evaluate a Program participant's income at initial enrollment, at recertification, and anytime there is an increase or decrease in household income. The participant's rent contribution must be at least 30% of the household's monthly adjusted income (adjustment factors include the number of people in the family, the age of family members, medical expenses, and child-care expenses). Income must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a). Income should be recalculated whenever there is a change in the household's status (family size, employment, etc.) that would lead to an increase or decrease in income.

While Program participants must pay a portion of their income as rent, the nature of this Program allows for flexibility in calculating the amount the participant will pay. It may be unrealistic for a household to make the necessary increases in income before assistance ends for the household to pay their full monthly rent with only 30% of their income. Therefore, recipients may require the participant to pay an amount above 30% of their income, so long as that amount:

- Is based on a percentage of the household's income, not a specific dollar amount.
- Is reasonable for the household to pay and still meet basic needs.
- Is conducive to the recovery and long-term stability of the household.
- Takes into consideration any utilities, medical costs, education costs, childcare costs, or other reasonable reoccurring fees that the household pays.

Participant rent contribution may change as income changes, or over time as the participant moves through the Program. Changes in rent contributions should be reasonable and take into account all of the factors listed above. Additionally, if a participant's income decreases, the participant's rent contribution should decrease to reflect this change in status, as long as the decrease does not go below 30% of the participant's monthly income. The method used to calculate the participant rent may vary by household. **IHCDA requires the recipient to document the determined structure for each household and document when the standard is deviated from.** In addition, if certain exceptions to the determined structure are made for one household, the same exceptions must be considered for all households in similar circumstances.

Rental subsidy examples

IHCDA encourages recipients to work with individual households to identify the financial resources needed to assist in returning to housing as quickly as possible. Recipients should be transparent and realistic when working with households to identify what financial assistance is available. Examples of subsidy models include gradually decreasing the amount of subsidy the household receives over the course of rental assistance or requiring the household to pay an increasing percentage of income the longer they receive the subsidy. It is recommended that recipients establish an initial period of assistance and revisit the potential for extension based on household needs as the subsidy limit is reached.

Subsidy Model Examples: *Below are common models used to establish subsidy guidelines. Recipients can adjust model amounts or percentages based on the individual needs of households.*

Decreased subsidy approach: This model is focused on decreasing the amount of subsidy the recipient provides. The recipient establishes a percentage of rent that will be subsidized for the household for a determined period of time. The recipient communicates with the household how the subsidy provided will decrease over time to support the household in preparing to take over the full rent amount when the subsidy ends.

> **Example:** Recipient pays 50% of the rent for months 1-3. The ongoing subsidy need is reviewed at the end of month two and determined that the household is not yet ready to take on the full amount of rent. The recipient agrees to subsidize months 4-6 by paying 35% of the rent. In month five the Recipient revisits the need for ongoing assistance and it is determined that the household can take over the full rent amount after month 7. The recipient agrees to pay 20% of the rent in month 7. The household pays 100% of their rent in month 8.

Increased tenant income approach: This model focuses on increasing the percentage of income the household contributes to their rent over the period of time assistance is provided. The recipient will work with the household to determine what percentage of their income will be dedicated to the total rent amount once the subsidy ends and gradually increases the percentage of income the household pays toward their monthly rent with the goal of preparing the household to take over the full rent amount at the end of the subsidy period.

> **Example:** Prior to moving in, it is determined that the rent of the selected unit is the equivalent of 65% of the household's adjusted monthly income. The household contributes 50% of their adjusted income to their rent in months 1-3 and the recipient subsidizes the remaining portion of the rent. Ongoing subsidy need is reviewed at the end of month two and determined that the household is not yet ready to take on the full amount of rent. The recipient agrees to subsidize months 4-6 and the household contribution is increased to 55% of their adjusted income. In month five the recipient revisits the need for ongoing assistance and it is determined that the household can take over the full rent amount after month 7. The household contributes 60% of their monthly income to rent in month 7. The household pays 100% of their rent which is the equivalent to 65% of their monthly income in month 8.

Budget-based approach: This approach involves creating a budget with the household before their unit is selected/rented to establish what their rent contribution will be. Recipients will work with households to identify their current household budget and select an amount of rent they household will contribute.

Setting Limits/Thresholds for Assistance: Recipients are required to set a threshold for assistance, for example, if a household's rent is less than an equivalent of 50% of its income it is recommended that ongoing monthly assistance is not provided but that move in-assistance is provided to support the household in obtaining permanent housing.

Assistance thresholds should be documented in the recipient's program manual and communicated to potential and enrolled households seeking assistance.

The tenant's portion of the rent is paid directly to the landlord and is subject to the same timeliness requirements as the overall rent. In other words, failure to pay the tenant portion of the rent for an assisted unit can be a reason for eviction.

7.7 Definition of Annual Income, Assets, & Adjusted Income

Definition of Annual Income

Annual income is the amount of income that is used to determine a household's amount of rental assistance. Annual income is defined as follows:

1. All amounts, monetary or not, that go to or are received on behalf of the head of household, spouse or co-head (even if the household member is temporarily absent), or any other household member; or
2. All amounts anticipated to be received from a source outside the household during the twelve (12) month period following admission or annual recertification effective date.
3. Earned income is counted for all household members age 18 or older. Unearned income (such as benefits and asset income) is counted for all members of the household regardless of age.

Annual income includes the amount derived (during the 12 month period) from assets to which any member of the household has access. The subrecipient must obtain third party verification of income sources of all adult household members age eighteen (18) or older, as well as benefits paid on behalf of minors in the household.

Regular Cash Contribution and Gifts: All income received on a regular basis from persons not living in the units must be counted. These sources may include rent and utility payments paid on behalf of the household, and other cash or non-cash contributions provided on a regular basis. The only exceptions are child care expenses paid directly to the child care provider on behalf of the household or groceries given to the household (actual grocery items, not money for groceries).

Examples:

The father of a young single parent pays her monthly utility bills. On average he provides $100 each month. The $100 must be included in the household's annual income.

The daughter of an elderly tenant pays her mother's $175 share of rent each month. The

$175 value must be included in the tenant's annual income.

Welfare Assistance as Income: Welfare assistance is counted as income. Most subrecipients will use the actual gross amount of welfare assistance the household received. In certain "as-paid" localities, however, a special calculation is required. In an as-paid jurisdiction, welfare assistance for housing costs is established separately from the rest of the welfare assistance and may be adjusted based on the actual cost of the household's housing.

For welfare recipients, subrecipients in as-paid jurisdictions must count as income the amount of general assistance the household received plus the maximum amount of housing assistance the household could receive (rather than the amount the household is actually receiving).

Self-Employed Persons: Self-employment net income (after business expenses) from non-farm business, including proprietorship and partnership must be counted. Also, farm self-employment net income (after operating expenses) must be counted. Include amounts from land rented for shares.

Military Income: *A*ll regular pay, special pay, and allowances of a member of the Armed Forces must be counted. The exception to this rule is special pay to a household member serving in the Armed Forces who is exposed to hostile fire.

Adults: Count the annual income (earned and unearned) of the head, spouse, co-head, and any other adult members of the household. In addition, persons under the age of eighteen (18) who have entered into a lease, under state law, are treated as adults and their annual income must also be counted. These persons will be the head, spouse, or co-head; they are sometimes referred to as emancipated minors.

Minor children: Benefits or other unearned income, including income from assets, of minors is counted. This includes child support, AFDC payments, Social Security, and other benefits paid on behalf of the minor.

***Temporarily absent household members*:** The income of temporarily absent household member is counted in Part 5 definition of annual income – regardless of the amount the absent household member contributes to the household. For example, a construction worker employed at a temporary job on the other side of the state earns $600 per week. He keeps $200 per week for expenses and sends $400 per week to his household. The entire amount ($600 per week) is counted in the household's income.

***Adult students living away from home*:** If an adult full-time student is counted as a member of the household in determining the household size (to compare against the HUD income limits), only the first $480 of the student's income must be counted in the household's income. However, if the student is the head, co-head or spouse you must count the full amount of income. (NOTE: Verification must be obtained from the school verifying the student is full time.)

Adult student living at home: Count only earned income up to a maximum of $480 per year for full-time students, age 18 or older, who is not the head of the household, co-head, or spouse. (NOTE: Verification must be obtained from the school verifying the student is full time.)

Permanently absent household members: If a household member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

Determining Household Size

The following persons shall not be included when calculating the household size for purposes of determining income eligibility: live-in aides (as defined in 24 CFR 5.403), unborn children, and children being pursued for legal custody or adoption who are not currently living with the household.

Whose Income Should Not Be Counted

Income of live-in aides: If a household includes a live-in aide as a reasonable accommodation under Fair Housing, the income of the live-in aide, regardless of the source, is not counted.

Earned income of minors: Earned income of minors (age 17 and under) is not counted. However, unearned and asset income of minors is included in total household income.

Income Inclusions

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation for personal services.
2. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining the net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household. Where the household has net household assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net household assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a period payment (except as provided in number 14 of Income Exclusions).
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
    - The amount of allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
    - The maximum amounts that the welfare assistance agency could in fact allow the household for shelter and utilities. If the household's welfare assistance is ratably

reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one (1) application of the percentage.

7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

Income Exclusions

1. Income from employment of children (including foster children) under the age of eighteen (18) years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant household, who are unable to live alone).
3. Lump-sum additions to household 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).
4. Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member.
5. Income of live-in aide (as defined in 24 CFR 5.403).
6. Certain increases in income of a disabled member of qualified families receiving TBRA (24 CFR 5.67(a))
7. The full amount of student financial assistance paid directly to the student or to the educational institution.
8. The special pay to a household member serving in the Armed Forces who is exposed to hostile fire.
9. Amounts received under training programs funded by HUD.
10. 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 aside for use under a Plan to Attain Self-Sufficiency (PASS).
11. 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 that are made solely to allow participation in a specific program.
12. Amounts received under a resident service stipend (as defined in 24 CFR 5.609(c)(8)(iv).
13. Incremental earnings and benefits resulting to any household member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a household 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 of the period during which the household member participates in the employment-training program.
14. Temporary, nonrecurring, or sporadic income (including gifts).
15. Reparation payments paid by foreign government pursuant to claims under the laws of the government by persons who were persecuted during the Nazi era.
16. Earnings in excess of $480 for each full-time student eighteen (18) years old or older (excluding the head of household or spouse).
17. Adoption assistance payments in excess of $480 per adopted child.
18. Deferred period amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
19. Amounts received by the household in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

20. Amounts paid by a state agency to a household 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 household member at home.
21. Amount 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,
    - (i) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
    - (ii) Payments to Volunteers under the Domestic Volunteer Services Act of 1973;
    - (iii) Payments received under the Alaska Native Claims Settlement Act;
    - (iv) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
    - (v) Payments or allowances received under the Department of Health and Human Services' Low-Income Home Energy Assistance Programs;
    - (vi) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
    - (vii) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;
    - (viii) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance programs. For Section 8 programs, the exception found in Section 237 of Public Law 109-249 applies and requires the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E);
    - (ix) Payments received from programs funded under Title V of the Older Americans Act of 1965;
    - (x) 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 liability litigation, M.D.L. No. 381 (E.D.N.Y);
    - (xi) Payments received under the Maine Indian Claims Settlement Act of 1980 (Public Law 96-420, 25, U.S.C. 1721) pursuant to 25 U.S.C. 1728(c);
    - (xii) 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;
    - (xiii) Earned income tax credit (EITC) refund payments received on or after January 1, 1991;
    - (xiv) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indiana Nation or the Apache Tribe of Mescalero Reservation;
    - (xv) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990;
    - (xvi) 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;

(xvii) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998;

(xviii) Any amount received under the School Lunch Act and the Child Nutrition Act of 1966 (42 U.S.C 1780b), including reduced-price lunches and food under the Special Supplemental Food Program for Woman, Infants, and Children (WIC);

(xix) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990;

(xx) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437) by Section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, 42 U.S.C. 4501);

(xxi) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C 4101) and administered by the Office of Native American Programs; and

(xxii) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.,* United States District Court, District of Columbia, as provided in the Claims Resolution Act of 2010 (Pub. L 111-291).

Treatment of Assets

What to Include as an Asset

In general terms, an asset is a cash or non-cash item of value that can be converted to cash. It is the income earned on the asset that is included in annual income (e.g. count the interest earned on the savings account), not the value of the asset itself.

The market value of an asset is its dollar value on the open market. The cash value of an asset is the market value minus reasonable expenses incurred to convert the asset to cash, including for example:

- Penalties or fees for converting financial holdings. Any penalties, fees or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value.
- Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property and any legal fees associated with the sale of real property are deducted from the market value to determine equity in real estate.

For the purposes of calculating annual income, the cash value of an item is counted as the asset, not the market value.

Any asset source that is not specifically excluded must be included. For more information regarding net household asset inclusions and exclusions, and how to determine the value of income from assets, see Chapter 5 of HUD Handbook 4350.3 in Appendix A, specifically Section 5-7 and Exhibit 5-2.

Actual Income from Assets

Actual income from assets is the income generated by the asset, such as interest or a dividend. This is counted as income even if the income is not received by the household, for example, if the interest or dividend is automatically reinvested into the asset. When net household assets (cash value of all assets) are up to $5000, the actual income from assets is always the income used. When net family assets exceed $5000 then the actual income must be compared to the imputed income from assets (see below) and the higher amount is used for income determination.

Imputing Income from Assets

If net household assets (cash value of all assets) is greater than $5000, asset income (which must be included as part of total gross household income) will be the greater of: a) actual asset income; or b) net family assets multiplied by the HUD approved passbook rate (the "Imputed Income from Assets"). The current passbook rate is 0.06%.

Disposed of Assets

Assets disposed of for less than fair market value are included as assets for a period of two (2) years from the date of disposal. The amount to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset. This rule only applies if the difference between the cash value and the amount received is greater than $1000.

Assets disposed of for less than the fair market value as a result of foreclosure or bankruptcy or those lost through a divorce or separation settlement are not included in this calculation.

Asset Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average six (6) month balance.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Equity in a household's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement accounts and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one (1) time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Asset Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.

3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated from the asset.
4. Equity in cooperatives in which the household lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

Adjusted Income

IHCDA requires subrecipients to deduct from annual income any of five mandatory deductions for which a household qualifies. The resulting amount is the household's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

(1) $480 for each dependent;
(2) $400 for any elderly family or disabled family;
(3) Unreimbursed medical expenses, to the extent the sum exceeds 3% of annual income:
(4) Disability assistance deduction; and
(5) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

Dependent Deduction
An allowance of $480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. Dependent is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

Elderly or Disabled Family Deduction
A single deduction of $400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An elderly family is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a disabled family is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

Medical Expense Deduction [24 CFR 5.611(a)(3)(i)]
Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed 3% of annual income. The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28]. Definition of Medical Expenses HUD regulations define medical expenses at 24 CFR 5.603(b) to mean "medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance." The most current IRS Publication 502, Medical and Dental Expenses, will be used as a reference to determine the costs that qualify as medical expenses.

Disability Assistance Deduction [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]
Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they:

(1) are necessary to enable a family member 18 years or older to work,
(2) are not paid to a family member or reimbursed by an outside source,
(3) in combination with any medical expenses, exceed three percent of annual income, and
(4) do not exceed the earned income received by the family member who is enabled to work.

Childcare Expense Deduction
HUD defines child care expenses at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income." Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family's household are included when determining the family's child care expenses [HCV GB, p. 5-29].

Anticipating Expenses
Generally, subrecipients will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), subrecipients will estimate costs based on historic data and known future costs. If a family has an accumulated debt for medical or disability assistance expenses, subrecipients will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. Subrecipients may require the family to provide documentation of payments made in the preceding year. In the event that at the time of initial certification or reexamination, the family reports that they are eligible for a Medicare or Medicaid spend-down subrecipients must determine if the spend-down cap was reached within the last 90 days. If yes, then the spend-down cap will be used as the family's projected monthly medical expense, if the spend-down is expected to continue. If no, then the actual anticipated medical expense will be used if the medical expenses are expected to continue.

7.8 Terminating Assistance & Absence from Unit/Vacancies

If a Program participant violates Program rules, the recipient may terminate the assistance. The recipient must have a formal process for terminating assistance and that process must be conveyed to the participant prior to terminating assistance. This process must consist of:

- Written notice to the Program participant clearly explaining the reason for termination.
- A review of the decision, in which the Program participant has at least 10 days 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.

Termination does not bar a participant from receiving assistance at a later date from any recipient of this Program, including the recipient who terminated assistance

The recipient must carefully consider the reason for termination and all extenuating circumstances so that termination only occurs in the most severe cases.

Definition of Temporarily Absent
Generally, an individual who is or is expected to be absent from the Unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a member of the household.

Definition of Permanently Absent
Generally, an individual who is or is expected to be absent from the Unit for more than 180 consecutive days is considered permanently absent and is no longer considered a member of the household.

If an individual will be absent from the Unit for more than 180 days, and there are no remaining household members in the Unit, then the Subrecipient must terminate rental assistance payments.

The Tenant must provide notice to the Subrecipient when he, she or another member of the household will be absent from the Unit for an extended period of time. An extended period of time is defined as any period greater than 30 calendar days. The Tenant must provide written notice to the Subrecipient at the beginning of his, her or another member of the household's absence. The Subrecipient is under no obligation to continue to provide rental assistance to a vacant unit. If the Tenant fails to provide notice of his or her absence, the Subrecipient can immediately terminate his or her rental assistance.

The Tenant and/or other members of the household that remain in the Unit during the absence, must ensure that the following activities are being performed during the absence:

(a) Payment of utility bills;
(b) Maintaining any appliances that the landlord is not required to provide under the lease;
(c) Payment of the tenant's portion of rent as detailed in Rental Assistance Payment Contract; and
(d) Notifying the landlord of the absence.

7.9 Timely Expenditure of Funds

Recipients of Program funds are expected to expend funds in a timely manner. Target benchmarks for expenditures will be defined within the Award Agreement.

Any recipient that fails to expend Program funds in a timely manner may have those funds deobligated by IHCDA. IHCDA reserves the right to reallocate unused funds from one recipient to another recipient. Reallocations will be awarded to organizations that have demonstrated timely and effective utilization of funds and that can demonstrate a need for additional funds to serve more households as evidenced by a list of eligible participants.

7.10 Reallocation Policy

Unclaimed Funds: Funds that were allocated to a specific subrecipient or allocated to IHCDA's administrative costs that were not claimed by the subrecipient during the grant year or were leftover in the administrative category and not used by IHCDA.

Grant Cycle: Two years from the award date.

Procedure to re-allocate funds:

At any point during a grant cycle IHCDA may require organizations who are behind on the benchmarks defined in their award agreements to provide a spend-down plan for unclaimed funds remaining on their Housing First award. Spend-down plans must be completed on a standard form provided by IHCDA and must include information on anticipated monthly expenditures for housing costs, supportive services costs and administrative costs. IHCDA will review all submitted spend-down plans to verify that planned expenditures are reasonable when compared to the organization's claims history and proposed goals for number of households served.

If an organization's spend down plan is determined by IHCDA to be insufficient to expend the total award amount within the term of the award agreement, IHCDA may offer the organization a 3 month extension to their award period and/or may de-allocate the portion of the award that is not expected to be spent. If an organization fails to provide a spend-down plan when requested, IHCDA will review the organization's claim history to determine if they are on track to expend their full award amount. Organizations who do not submit the required spend-down plan when requested are not eligible for an award extension but may have a portion of their award de-allocated. IHCDA will notify organizations of any award de-allocation via email with a letter stating the amount the award has been reduced by. If IHCDA chooses to allow a grant extension, organizations will be notified via email with a letter stating the new grant end date and benchmarks that must be met during the extended time.

Housing First funds de-allocated through this process may be added to the total available award amount under the next Housing First RFP or may be re-allocated to another organization(s) with Housing First awards who have met award benchmarks. Such reallocations will follow this policy and will be approved by IHCDA's Executive Team through delegated authority.

7.11 Award Monitoring

The Housing First Program Analyst will perform program compliance checks throughout the program year by reviewing monthly reports, claims, and other information. A more thorough monitoring of the program will also occur. The Program Analyst will monitor a minimum of 25% of Housing First Grant recipients every year. New recipients may be monitored within the first year of the award agreement.

The monitoring review may be done remotely or in person. At least three weeks of notice will be given to the recipient before monitoring begins so that the recipient can prepare using a monitoring checklist. The checklist contains a list of areas that will be reviewed and documents that will need to be made available at the time of monitoring. Upon completion of a monitoring review, IHCDA will send a letter detailing all concerns and findings discovered during the review. The letter will be sent within 30 calendar days of the monitoring unless an investigation of findings requires more time. If there are findings or concerns discovered, the letter will request the recipient to submit a specific resolution or correction within a certain period of time. Significant deficiencies in program files or other record keeping that are found during a monitoring will result in required Plans of Corrective Action with possible loss of funds or repayment to IHCDA.

Appendix

A.1 Required Forms and Documentation

Applicant Eligibility Checklist:

- ☐ Application for Housing First Assistance
- ☐ Third party documentation of serious mental illness and/or chronic chemical addiction (no particular format required)
- ☐ Verification of Housing Crisis Status (IHCDA form)
- ☐ Signed receipt of termination/grievance/appeal procedures

Pre-Leasing Checklist:

- ☐ Income & Asset documentation
- ☐ Zero Income Certification (if applicable)
- ☐ Tenant Income Calculation Form/Documentation of method of rent contribution
- ☐ RAP between recipient and tenant with appropriate Unit Size
- ☐ Request For Unit Approval (IHCDA form)
- ☐ Review lease (before tenant signs lease)
- ☐ Perform Rent Reasonableness check using GoSection8.com
- ☐ Completed HQS inspection form (HUD 52580)

Leasing Checklist:

- ☐ Signed tenant lease
- ☐ Signed RAP between recipient and landlord
- ☐ W-9 or 1099 from landlord
- ☐ Security Deposit assistance (if recipient is paying, ensure it does not exceed 2 months' rent)

A.2 FAQs

1. Is mileage related to supportive services eligible?

   Yes, mileage related to supportive services can be claimed under supportive services—housing stability case management.

2. Under the admin costs, are indirect allocations eligible for reimbursement; rent for office space, electricity, insurance, phone lines, etc.?

   Yes, indirect allocations are acceptable so long as the Program Analyst at IHCDA has a copy of your agency's cost allocation plan and has approved it.

3. Is renting a trailer eligible?
   a. Yes, so long as the structure is built on a permanent chassis, is designed as a principal place of residence, and passes HQS inspection. Follow the Section 8 rules on manufactured homes which states an additional inspection requirement stated here: "Manufactured Home Tie-Down: A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind

damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding."

4. Are there any limitations around using the Housing First Funds for individuals who are HUD recipients?

   In general, no duplicative assistance may be provided. For example, if the household is already receiving rental assistance under the Section 8 Housing Choice Voucher Program, the household may not also receive rental assistance under the Housing First program. On the flip side, if someone were assisted by ESG (HUD assistance for homeless persons) for transitioning out of a shelter and received security deposit assistance from ESG, they could receive rental assistance (and other assistance) from Housing First except for security deposit assistance. Please reach out to the Program Analyst at IHCDA for guidance on specific situations.