



New York State
Office of Alcoholism & Substance Abuse Services
Addiction Services for Prevention, Treatment, Recovery

Shelter Plus Care Program Management Guide

Revised
November 2008

Purpose of the Shelter Plus Care Program Management Guide

This *Shelter Plus Care Program Management Guide* is provided to Shelter Plus Care program sponsors/providers funded through the New York State Office of Alcoholism and Substance Abuse Services in order to give an overview of Shelter Plus Care program requirements and offer sponsors/providers sample forms that can be used in complying with these requirements. The *Guide* is not a substitute for the *Shelter Plus Care Policies and Procedures* manual that each sponsor/provider is required to create; however, it may be useful for agencies to incorporate all or portions of the *Guide* into such a manual. While it is comprehensive in its scope, the *Guide* is meant to be used in conjunction with HUD's own *Shelter Plus Care Resource Guide*, its soon-to-be-published *Shelter Plus Care Program Desk Guide*, and other Shelter Plus Care guidance available on the HUD website at <http://www.hud.gov>. In order to effectively serve as sponsors/providers for the Shelter Plus Care program, agencies should thoroughly familiarize themselves with the HUD regulations for this program, which are included in the attachments to this *Guide*.

It should also be noted that the Shelter Plus Care program is not static; modifications may be made annually at the time at which the Notice of Funding Availability (NOFA) is published and at other times as determined by HUD and/or the U.S. Congress. It is important that Shelter Plus Care program sponsors/providers remain in contact both with NYS OASAS and with their local Continuum of Care coordinating body in order to ensure that they continue to be in compliance with HUD requirements for this program.



Shelter Plus Care Program Management Guide

Table of Contents

I. INTRODUCTION	3
II. SUMMARY OF REQUIREMENTS FOR SPONSORS	5
III. OVERVIEW FOR SPONSORS PARTICIPATING IN THE OASAS SHELTER PLUS CARE PROGRAM	8
<i>A. Participant Eligibility</i>	8
1. ELIGIBILITY	8
2. DEFINITION and DOCUMENTATION of DISABILITY	8
3. DEFINITION and DOCUMENTATION of HOMELESSNESS	9
4. INCOME LIMITS	10
<i>B. Eligible Housing and Leasing Requirements</i>	12
1. HOUSING UNIT SELECTION	12
2. RENTAL ASSISTANCE	13
3. CERTIFICATION OF RENT REASONABLENESS	16
4. HOUSING HABITABILITY STANDARDS AND LEAD-BASED PAINT	17
<i>C. Supportive Services</i>	19
1. SCREENING AND SELECTION	19
2. OCCUPANCY AGREEMENT	19
3. SUPPORTIVE SERVICES	20
4. PARTICIPANT INVOLVEMENT	20
5. TERMINATION OF ASSISTANCE	21
<i>D. Reporting and Vouchering for Payment</i>	23
1. ANNUAL PROGRESS REPORT	23
2. SUPPORTIVE SERVICES MATCH	24
3. MONTHLY CLAIMING PROCEDURES	25
4. FINANCIAL RECORDS	25
<i>E. Grants Management and Participation in Local Continuum of Care Planning Processes</i>	27
IV. PROJECT SELF-ASSESSMENT WORKSHEETS	29
1. ATTACHMENT A: PARTICIPANT WORKSHEET	39
2. ATTACHMENT B: SHELTER PLUS CARE PARTICIPANT FILES CHECKLIST	40
V. FORMS AND RESOURCES (see listing at beginning of section).....	41



I. INTRODUCTION

The Shelter Plus Care (S+C) program is one of three programs funded through the United States Department of Housing and Urban Development (HUD) Continuum of Care Homeless Assistance Program. Shelter Plus Care funding is obtained by funding applications submitted to HUD through local Continuum of Care consortiums. The Shelter Plus Care Program is designed to link rental assistance with supportive services for homeless and disabled persons and their families, with HUD providing funding for the rental assistance and sponsors providing and/or obtaining supportive services for the participants as in-kind matching funding. Primarily, the Shelter Plus Care serves homeless persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome (AIDS) or HIV-related diseases. The goals of the Shelter Plus Care Program are to assist homeless individuals and their families to:

- increase their housing stability;
- increase their skills and/or income; and
- obtain greater self-sufficiency.

Shelter Plus Care grants can be used to provide rental assistance in four ways: Tenant-based Rental Assistance (TRA), Sponsor-based Rental Assistance (SRA), Project-Based Rental Assistance (PRA), and SRO-based Rental Assistance. The OASAS S+C program uses both the **Tenant-based Rental Assistance** and the **Sponsor-based Rental Assistance** approach. Both the TRA and the SRA components provide grants for rental assistance through contracts between the grant recipient (OASAS) and sponsor organizations (addictions services providers). Under HUD regulations, a sponsor may be a private, nonprofit organization or a community mental health agency established as a public nonprofit organization. In the SRA model, participants reside in housing – a single structure or scattered sites – owned or leased by the sponsor. In order to receive S+C from OASAS, the provider must serve individuals with primary diagnoses of substance use disorders. In the TRA model, these units are leased directly by the participant.

The sponsor makes housing available to eligible homeless persons and receives HUD funds for rent subsidies through OASAS. Program participants must pay 30 percent of their adjusted gross income, 10 percent of their gross income, or the amount of the local shelter subsidy established by the New York State Office of Temporary and Disability Assistance, whichever is higher, to cover their portion of the rental costs. The difference between that amount and the HUD-approved “Fair Market Rent” established for the locality is covered by the S+C rent subsidy. Housing used in the program must meet minimum housing habitability standards established by HUD. The S+C rental assistance is matched dollar-for-dollar by a range of treatment and supportive services provided by the sponsor or sources obtained by the sponsor. Sponsors must document the value of these matching “in-kind” treatment and supportive services.



This ***Shelter Plus Care Program Management Guide*** is designed for OASAS service providers that are participating as sponsors in the Shelter Plus Care program. It provides a task-oriented overview of a sponsor's responsibilities for program operations and administrative oversight of Shelter Plus Care projects, as well as tools and protocols to conduct on-going project assessment. The *Guide* covers key areas of Shelter Plus Care operations that require on-going supervision and monitoring by managers, based on mandated Shelter Plus Care requirements. The *Guide* is divided into three component sections:

1. An ***OVERVIEW FOR SPONSORS PARTICIPATING IN THE OASAS SHELTER PLUS CARE PROGRAM*** provides a summary of provider responsibilities for S+C program operations and grant administration;
2. ***PROJECT SELF-ASSESSMENT WORKSHEETS***, designed to assist providers in doing self-assessments of their programs' compliance with Shelter Plus Care program requirements, allows providers to use them either for internal purposes of monitoring project compliance and performance or as a preliminary step to a monitoring visit from OASAS staff; and
3. A ***FORMS AND RESOURCES*** section, which is a compendium of various forms, tools, resources, and regulations referenced in the *Guide*.



Requests for copies of this *Guide* or any other questions about the OASAS Shelter Plus Care program may be directed to:

New York State
Office of Alcoholism and Substance Abuse Services
Bureau of Housing and Employment Services

Albany Office
1450 Western Avenue
Albany, New York 12203
(518) 485-0498

New York City Office
501 7th Avenue
New York, New York 10018
(646) 728-4575



II. SUMMARY OF REQUIREMENTS FOR SPONSORS

To effectively operate a Shelter Plus Care program, a sponsor/provider must address each of the following:

A. **Participant Eligibility** – Sponsors/providers must:

- Develop and conduct a process to determine that each individual or family being considered for participation in the S+C program meets all of the eligibility and income criteria according to the definitions provided.
- Determine and document that at least one **adult** member of the household has a targeted **disability**.
- Determine and document that the participant is **homeless**, as defined by HUD.
- Determine and document that the participant's/household's **income** does not exceed 50% of the median income (very low income limits) for the locality; review and document the participant/household income on an annual basis. (Visit www.huduser.org/datasets/il.html for a listing of HUD income limits).
- Calculate the participant's contribution toward the rent (30% of adjusted gross income, 10% of the gross income, or the shelter allowance amount established by the NYS State Office of Temporary and Disability Assistance, whichever is the highest.)

B. **Eligible Housing and Leasing Requirements** – Sponsors/providers must:

- Identify available housing units that are suitable for the needs of the program.
- Develop written procedures regarding how housing units will be selected for the program.
- Either **own or lease housing units** or assist participants in securing tenant-based rental units and corresponding leases.
- Determine that each housing unit used in the program meets HUD's **rent reasonableness** requirements.
- Conduct a "rent reasonableness survey" of the rental market for each unit.
- Complete the "Certification for Rent Reasonableness" form and a "Rent Reasonableness Checklist" for each unit.
- Determine that each housing unit being considered for use in the program meets HUD "**Housing Quality Standards**" and its requirements regarding **lead-based paint**; reinspect each housing unit being considered for use in the program on an annual basis. Also, if the unit fails inspection, follow the guidelines for repair, or move the participant to appropriate housing.



C. **Supportive Services** – Sponsors/providers must:

- Develop and follow written procedures **assessing participants' needs** for various support services and for providing a supportive living environment.
- Develop a screening and selection process for eligible individuals.
- Enter into an **Occupancy Agreement** with each individual accepted into the program.
- Provide or arrange for **supportive services** for each individual participating in the program.
- Encourage participation in program development activities, including serving on the sponsor's Board of Directors.
- Provide a formal **process for terminating assistance** to an individual participating in the program that includes due process.

D. **Reporting and Vouchering for Payment**– Sponsors/providers must:

- Collect and maintain required participant information on each individual referred and each individual accepted into the S+C program on an ongoing basis.
- Complete an Annual Progress Report at the end of each program year for submission to OASAS.
- **Document support services** provided to each participant and the value of those services on a regular basis, so that this information can be included in the Annual Progress Report.
- **Document progress** achieved toward project goals.
- **Maintain financial records** in accordance with HUD and OASAS requirements.
- **Submit monthly claims for reimbursement to OASAS** for payment.
- **Participate in local Continuum of Care** processes, both to ensure collaboration with local homeless housing and services providers and also to ensure that funding for the program is renewed as needed through the local Continuum of Care process.

E. **Grants Management and Participation in Local Continuum of Care Planning Processes**—Sponsors/providers must:

- Participate in **local Continuum of Care coordinating bodies**.
- Document satisfactory **performance** in order to ensure local support for funding renewals.



OASAS Shelter Plus Care Program Management Guide



Overview for Sponsors Participating in the OASAS Shelter Plus Care Program



III. OVERVIEW FOR SPONSORS PARTICIPATING IN THE OASAS SHELTER PLUS CARE PROGRAM

A. Participant Eligibility

SPONSORS MUST DETERMINE THAT AN INDIVIDUAL OR FAMILY BEING CONSIDERED FOR PARTICIPATION IN THE PROGRAM MEETS ALL OF THE ELIGIBILITY AND INCOME CRITERIA ACCORDING TO HUD'S DEFINITIONS.

1. ELIGIBILITY

To be eligible for the Shelter Plus Care program, a person must be both homeless and disabled. In the case of a homeless household, at least one **adult** member must meet the program definition of disabled.

Specific targeted disabilities targeted by HUD for the S+C program are people with serious mental illnesses, those with chronic substance abuse problems, and those with HIV/AIDS.

- At the time of application for funding, program sponsors determine which disability category(ies) will be included in their particular application.
- Obviously, those applying for S+C funding through OASAS must serve persons with a diagnosable substance use disorder but many of these program participants may have co-occurring disabilities such as mental illness and/or HIV/AIDS.

Prospective sponsors must indicate the targeted disabilities and the number of individuals and/or families that they plan to serve. Successful applicants are expected to serve the types and numbers of persons with disabilities targeted in the application. By regulation, the grantee must serve **at least as many participants** as shown in the application.

2. DEFINITION and DOCUMENTATION of DISABILITY

The definition of disabled [24 CFR 582.5] that is used as the basis for determining eligibility in the S+C program is as follows:

A household must be composed of one or more persons at least one of whom is an adult who has a disability. "Disability" is defined as follows:

1. A person shall be considered to have a disability if such person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such nature that such ability could be improved by more suitable housing conditions.
2. A person will also be considered to have a disability if he or she has a developmental disability, which is severe and chronic.



Key to the definition is determining that the impairment is of long-continued and indefinite duration AND **substantially impedes** the person's ability to live independently. For example, mental illness or an HIV/AIDS condition that does not substantially impede a person's ability to live independently **does not** qualify as a disability in the S+C Program. Written documentation that a person's disability meets the program definition must come from a credentialed psychiatric or medical professional trained to make such a determination. The possession of a title such as case manager or substance abuse counselor does not by itself qualify a person to make that determination. "Self-certification" is also unacceptable.

Grantees and/or sponsors must have written documentation in their project files that qualifies each participant as having met the program definition of "disabled."

3. DEFINITION and DOCUMENTATION of HOMELESSNESS

In general, a person is considered homeless if, without HUD assistance, he or she would have to spend the night in a homeless shelter or in a place not meant for human habitation.

More specifically, an individual is considered homeless if he or she is:

- sleeping in an emergency shelter;
- sleeping in places not meant for human habitation, such as cars, parks, sidewalks, or abandoned or condemned buildings;
- spending a short time (30 consecutive days or less) in a hospital or other institution, but ordinarily sleeping in the types of places mentioned above;
- living in transitional/supportive housing having come from streets or emergency shelters.

Prior to 2006, HUD also allowed those "being evicted within a week from a private unit and having no subsequent residence and lacking the resources and support networks needed to obtain access to housing" to be considered "homeless" for the purpose of eligibility for the Shelter Plus Care program and other Continuum of Care-funded permanent supportive housing programs. This is no longer the case. Shelter Plus Care contracts beginning in 2006 (including those which were renewals from previous grants) **cannot** utilize imminent eviction as a criterion for program eligibility.

S+C grantees are required to document how it was determined that participants were homeless and did not have the resources or support network needed to obtain housing. (See the **Forms and Resources** section for a sample Certification of Homelessness form and examples of appropriate documentation of homelessness for S+C participants under various scenarios.) This documentation must be kept in the participants' files.

Since the tenant must meet HUD's definition of homelessness, the Shelter Plus Care program may not accept persons who are currently receiving other ongoing



housing assistance from sources such as the Section 8 (Housing Choice Voucher) program, the Housing Opportunities for Persons with AIDS (HOPWA) program or other housing programs. Once accepted into the Shelter Plus Care program and having become stabilized, participants may want to move off the Shelter Plus Care program into one of these other programs, **but under no circumstances may they receive subsidies from more than one ongoing rental assistance program at the same time.**

4. INCOME LIMITS

Annual income includes payments from all sources received by members of the family who are not minors. All of the following income must be counted: the gross amount, before any payroll deductions, of wages, overtime pay, and tips; Social Security Disability Income (SSDI); Supplemental Security Income (SSI); pension; Temporary Assistance to Needy Families (TANF); public assistance; unemployment benefits; workers compensation; and interest, dividends, and subsistence payments to full-time students or veterans (See 24 CFR §813.106). HUD regulations allow some income sources not to be counted when calculating income for the purposes of the Shelter Plus Care program. (See the **Forms and Resources** section for a detailed description of what income may and may not be counted.)

In the case of two or more unrelated individuals not living together as a cohesive household group, but who are sharing an apartment or house for the convenience of the sponsor (e.g., in a particular community, two bedroom units may be more available than studio apartments), each individual will be considered a separate family and income will be determined separately. However, each individual's rent payment will be calculated based on the portion of the housing unit in which he resides (e.g., in the this example, each individual's rental cost would be based on one-half of the Fair Market Rent for a two-bedroom apartment, not on the full rent for a one-bedroom apartment, which is higher.) The individual's income must not exceed 50% of the median income (very low income limits) for the locality in which he/she resides.

CALCULATING TENANT INCOME AND RENT

The definitions of annual gross income, adjusted income, and welfare rent and the allowable deductions and adjustments to income are described in detail in CPD Notice 96-3. (See the **Forms and Resources** section). A few things to keep in mind when making these calculations are:

- Types of income that must be included are employment income, Social Security, TANF and public assistance, unemployment benefits, and disability or worker's compensation.
- Some income may be eligible for exclusion. Examples include income earned by children under age 18, payment received for the care of foster children or adults, and reimbursement for the cost of medical expenses. These amounts are subtracted from household income before the rent contribution is calculated.



- Some expenses can be deducted from the income calculation. These include a flat \$400 deduction for those who meet the federal disability definition (in this case, chemical dependency is not considered an eligible disability, but mental illness and HIV/AIDS are), as well as child care, medical care, and other allowable expenses.
- The HUD-determined “utility allowance” must be used to calculate the cost of heat and electricity.
- The "disallowance of increase in annual income" provision in 24 CFR 5.617 does not apply to the S+C program.

To determine the appropriate rent payment for a S+C participant, program sponsors should complete a “Tenant Rent Calculation Worksheet,” (see the **Forms and Resources** section).

INCOME RECERTIFICATION REQUIREMENTS

As required by statute, S+C program sponsors must reexamine participants’ income at least annually and make any needed adjustments to the participants’ rent contribution amount.

The S+C participant may request an interim reexamination if there is a change in family composition (such as the birth of a child) or a decrease in household income. Participants whose income increases during the year do not have to have their rent increased until the next scheduled (annual) reexamination.



B. Eligible Housing and Leasing Requirements

SPONSORS MUST ENSURE THAT THEY HAVE WRITTEN POLICIES IN PLACE TO GUIDE THE SELECTION AND IDENTIFICATION OF HOUSING UNITS. THEY MUST ALSO CALCULATE THE RENT PAYMENT APPROPRIATELY, DETERMINE RENT REASONABLENESS, AND ENSURE THAT UNITS MEET HOUSING QUALITY STANDARDS.

Shelter Plus Care housing programs can take several forms: scattered-site rental units, clustered units within a building or development, or an entire building that houses only S+C clients. All components require that grantees or sponsors establish relationships with landlords who are willing to lease units to S+C participants.

1. HOUSING UNIT SELECTION

The sponsor organization must develop written procedures of how units for the program will be identified and selected. The units chosen for the S+C program should be accessible to transportation and supportive services. The particular unit selected for an individual household should be based on the family size and composition, and the appropriateness of the location of the unit for household needs. For sponsors operating a “scattered site” rental assistance program, participants choose their own appropriate housing unit with assistance from the provider. All housing selection criteria should be incorporated within the sponsor’s written *Shelter Plus Care Program Policies and Procedures*.

In addition to the above criteria, the written procedures must describe how the responsibilities for inspections will be handled; the process for deciding which unit a participant will occupy; how participants will be placed in, or assisted in finding appropriate housing; how rent calculations will be made and the amount of rental assistance payments determined; and, what safeguards will be used to prevent the misuse of funds.

OCCUPANCY AND UNIT SIZE STANDARDS

The ideal occupancy ratio is 1.5 persons per bedroom. Conditions that exceed two persons per bedroom are generally considered to be overcrowded. The family composition is somewhat flexible for the larger units, depending on the mix of adults and children and the relationships of the members of the household to each other. (Please see Housing Choice Voucher (Section 8) Administrative Plan for Family Composition examples and Appropriate Corresponding Unit Size at:

<http://home2.nyc.gov/html/hpd/downloads/pdf/2008-Section-8-Administrative-Plan.pdf>



2. RENTAL ASSISTANCE

USES OF FUNDING

Generally, the total housing costs (meaning both the monthly rent and monthly utility costs for heat and electricity) for apartments that are given Shelter Plus Care subsidies should be less than or equal to the Fair Market Rent (FMR), and should be "reasonable", meaning that they should be equal to rents being charged for comparable unassisted units with similar features and amenities and not more than rents being charged by the same owner for comparable unassisted units. An individual, family or a household must contribute the higher of 30% of its monthly adjusted income, 10% of its gross monthly income or, if the family is receiving public assistance, its shelter allowance portion of that grant (see **Tenant Rent Calculation Worksheet/HUD Notice CPD 96-03** in the **Forms and Resources** section).

- At the time of renewal applications for S+C funding, a sponsor can only apply for funding for housing subsidies that are calculated at up to 100% of the Fair Market Rent (FMR).
- S+C sponsors that receive funding through OASAS may not charge rents higher than the FMR unless given written permission to do so by OASAS. This permission will be granted only if the sponsor is able to conduct a rent reasonableness survey that demonstrates that the rent amount being requested is comparable with other rents in the area, and that there are no other available apartments at the FMR.
- S+C rental assistance may include security deposits for rental units, not exceeding the amount of one month's rent.
- Sponsors may use S+C rental subsidy funds in an amount up to one month's rent to pay for any damage to housing due to the action of a participant.

If the income of an individual or family increases while they are participating in the S+C program, they are allowed to remain in the unit. When the amount that the family is required to pay towards the rent under Shelter Plus Care regulations equals or exceeds the total rent amount of the unit, the unit is, in effect, no longer being subsidized, and, depending on the type of program and the preference of the landlord, the individual or family can remain in that unit, with the lease being put in the family's name instead of the agency's name.



NUMBER SERVED

The sponsor must serve at least as many individuals and families as noted in its funding application. When dealing with families, the configuration of units (number of one-bedrooms, two-bedrooms, etc.) is likely to shift a bit during the contract year, as the families themselves constrict due to the move or loss of one family member or expand due to giving birth to a new child, regaining custody of a child that was in foster care, etc. **If there has been any such minor change in the number of units utilized, sponsors are asked to note these on the monthly voucher submitted to OASAS and to write a very short explanation of the reason for the change.** If, however, the sponsor wants to request a substantial change in the size of units funded under Shelter Plus Care (moving from predominately studio apartments to single apartments, etc.) permission must be requested from HUD through OASAS.

It should be noted that Shelter Plus Care awards are based on the full FMR; however, in reality, nearly all participants contribute some of their own money toward the rent. This results in there being a surplus of funding in each grant which can be used to pay for the following:

- allowable administrative costs, up to 8% of the total grant;
- repair for damage to the units (up to one month's rent);
- rent increases, if these can be justified using the "rent reasonableness" standard and if the budget will accommodate such increases;
- utilization of a larger number of rental subsidies than were initially budgeted.

If a sponsor does decide to serve more participants than originally awarded, it should ensure that there is enough funding available to pay for this increased number of participants throughout the life of the grant. It may be helpful for sponsors who are still in their initial funding period (which is a five-year grant period for SRA programs) to be aware that, if the sponsor has more participants at the end of the grant period than originally projected, HUD will renew the program for the first renewal period using the number of participants that are currently in residence, meaning that there could be a considerable increase in the total grant award at this juncture. (For example, if a S+C contract was initially based on 20 one-bedroom rental subsidies at a FMR of \$700 each, but now was serving 26 people, it could submit its first renewal request for 26 one-bedroom rental subsidies at the current FMR.) This is only true for the first renewal; after that, funding can only be renewed based on the number of units used in the first renewal contract. However, because one year renewals of S+C projects do not have the option to extend the length of their contracts but must return any unspent funds to HUD at the end of the contract year, it makes sense to budget funds wisely and to use any anticipated surplus to serve additional participants.

FAIR MARKET RENTS

The monthly Fair Market Rent (FMR) limits are established by the federal government for existing housing, **including gas and electric**. These amounts are



adjusted annually by HUD at the beginning of the federal fiscal year, which is October 1. Current FMR amounts for each region can be found on the HUD web site, <http://www.hud.gov>. It should be kept in mind that:

- The maximum S+C subsidy amount is established using the HUD Fair Market Rents, unless the sponsor can use the “rent reasonableness” concept to prove that comparable unassisted apartments are renting at a higher rate.
- The sponsor may increase the rent payment during the contract period by conducting another “rent reasonableness” study that documents that the rent increase is warranted. However, before doing so, the sponsor must carefully forecast the impact of such an increase on the contract budget as a whole in order to ensure that enough money will be available during the entire course of the contract to continue to pay these rents as well as to cover administrative costs.
- Because of the impact that such a rent increase could have on the overall budget, sponsors are asked to make note of any rent increases on their monthly voucher to OASAS and to attach a short explanation of what process has been used to ensure that there will be sufficient money in the contract to cover the rent increase.
- As HUD issues new FMRs to reflect increases in the cost of living, the rent amounts for the S+C program will increase accordingly. These rent amounts include an allowance for gas and electric utility payments. This allowance is calculated for each locality by local housing authorities; program sponsors must obtain this information from local housing authorities on an annual basis and use the charts provided by them to calculate the correct utility allowances. Cable TV, telephone, and renters’ insurance are **not** reimbursable costs under the Shelter Plus Care grant.

ALLOWABLE COSTS

Shelter Plus Care grant funds can be used for the following expenses: 1) rental assistance; 2) security deposits; 3) damages (up to the cost of one month’s rent); 4) vacancies (up to the cost of one month’s rent); and 5) administrative costs, as noted below.



ADMINISTRATIVE COSTS

Up to eight percent of the grant amount can be used to pay the cost of administering the housing assistance. Eligible administrative activities include:

- locating housing units for the program;
- processing rental payments to landlords;
- examining participant income and family composition;
- providing housing information and assistance;
- inspecting units for compliance with housing quality standards; and
- receiving new participants into the program.

This administrative allowance does **not** cover the following activities: the cost of administering supportive services; the cost of preparing grant applications, reports, or audits required by HUD; legal fees, and the cost of furnishing the apartments. **The sponsor must provide documentation for all requests for reimbursement for administrative costs as part of its monthly voucher submission.**

VACANCIES

If a unit receiving S+C rental assistance is vacated before the expiration of the occupancy agreement, rental assistance for the unit may continue for a maximum of thirty days from the end of the month in which the unit was vacated, unless the unit becomes occupied by another individual eligible for the S+C program. No additional assistance will be paid until the unit is occupied by another eligible individual.

Units left unoccupied by individuals in the S+C program receiving inpatient care, not exceeding ninety days for each occurrence, will not be considered vacant.

3. CERTIFICATION OF RENT REASONABLENESS

The sponsor must certify and document, on a case-by-case basis, that the contract rent for each unit for which a lease has been approved is: (1) reasonable in relation to the rents currently being charged for comparable units in the private, unassisted housing market, and (2) not in excess of rents currently being charged by the owner for comparable unassisted units. The sponsor may use the Certification for Rent Reasonableness form provided in the **Forms and Resources** section, or may substitute another certification form, provided that it includes the same information. HUD has indicated that it is acceptable for Shelter Plus Care providers to use information gathered by the local public housing authority to establish rent reasonableness. In this instance, the sponsor's records should indicate the date on which the housing authority was contacted, the reasonable rent amount stated, and the name of housing authority staff person who provided the information regarding rent reasonableness.



RENT REASONABLENESS CHECKLIST

If not using data provided by the local housing authority, the sponsor must follow HUD requirements to have an overall knowledge of the rental market within its determined outreach area and collect data on the rents being charged for specific units. The sponsor will have to conduct telephone surveys, site visits, or more extensive market surveys of three comparable available non-subsidized rental units. In addition, the following information should be considered: rents for other units in the area receiving S+C rental subsidy; rents for other units in the area receiving Section 8 assistance; rental information from classified advertisements in newspapers and from HUD Field Office data.

The sponsor may use the “Rent Reasonableness Checklist,” or may substitute another checklist form, provided that it includes the same information [location; unit size; unit type; quality; handicapped accessibility; amenities; facilities; management and maintenance services; and the gross rent amount]. Once the rental market has been surveyed, the sponsor organization should compile the information received and complete the rent reasonableness forms.

4. HOUSING QUALITY STANDARDS

One of the requirements of the S+C program is that the building and housing unit selected for each participating family is clean, in good repair, and free from any conditions that could be dangerous or unhealthy for the family. It is possible that the building or unit may be good housing but may require some repairs. If the repairs are made prior to occupancy, the housing may be acceptable for the program. The sponsor will inspect the housing and reserves the right to require further repairs or to reject the housing if it does not meet the standards of the program or if it has major deficiencies that the landlord does not propose to correct. The sponsor can either directly inspect the units or hire an outside contractor to do so when leasing apartments. Payment for the services of an outside contractor would be made through the S+C administrative fee. However, if the sponsor owns the unit, a third party with no interest in the property must perform the housing quality inspection.

Housing used in this program must meet the Housing Quality Standards set forth by HUD in **24 CFR Section 982.401**. An initial inspection report should be completed by the sponsor for each building and unit proposed for S+C rental assistance. A ***Housing Quality Inspection Checklist (form HUD 52580)***, or a similar housing assessment form, may be used for this purpose (see ***Forms and Resources*** section). Each housing unit must also be re-inspected annually by the sponsor and all needed repairs must be made within 30 days of the inspection. (Please see Attachment 10 in the ***Forms and Resources*** section for additional information about what to do when a unit fails inspection).

The Shelter Plus Care program is required to comply with the HUD regulations under 24 CFR-35, Section M. This means that in conjunction with inspecting units for compliance with housing quality standards, the sponsor must conduct visual assessments for lead paint hazards in all apartments, except those which:



- have been built since January 1, 1978
- exclusively house elderly persons or persons with disabilities unless a child under the age of 6 is expected to live there
- zero-bedroom dwellings (including SRO and efficiency apartments)

For all practical purposes, this means that units built after January 1, 1978 that will be used by families with children must be visually inspected to determine that there is no sign of lead-based paint. In order to conduct this visual inspection, staff must take a short (less than one-hour long) Visual Assessment Training course, offered by HUD on line through its website at:

<http://www.hud.gov/offices/lead/training/visualassessment/h00101a.htm>.

(Please see Attachment 10 in the **Forms and Resources** section for additional information about lead-based paint requirements.)



C. Supportive Services

SPONSORS MUST DEVELOP WRITTEN PROCEDURES FOR ACCEPTING INDIVIDUALS INTO THE PROGRAM AND PROVIDING A SUPPORTIVE LIVING ENVIRONMENT.

1. SCREENING AND SELECTION

Each sponsor must develop a thorough screening and selection process. All eligible individuals and families that are referred to the S+C program will be placed in the program based on an assessment of their individual care needs. These needs assessments will be conducted by the sponsor organization. For OASAS-funded sponsor agencies, the screening and selection criteria will include an assessment of the individual's ability to live independently and willingness to participate in substance abuse treatment. Also, the individual should not present a danger to himself or others and the individual should not require a higher level of care than what is offered by the program.

- Written screening and selection procedures must be developed and submitted to OASAS for review.
- The OASAS S+C applications submitted to and approved by HUD state that eligible individuals who had been living in shelters or on the street at the time that they entered treatment would be targeted for this program. Therefore, it is imperative that eligible individuals who fall into this category of homelessness be given priority for rental subsidies. Individuals who are living in transitional programs after having experienced a documented period of homelessness are also eligible for the program, but **priority should be given to those who currently have no other housing resources.**

2. OCCUPANCY AGREEMENT

Each sponsor must develop an occupancy agreement for its S+C program. Individuals accepted to the S+C program must enter into an occupancy agreement for a term of at least one month. The occupancy agreement must be automatically renewable upon expiration, except on prior notice by either party.

The occupancy agreement should also include a provision requiring individuals participating in the program to take part in the supportive services provided through the program as a condition of continued occupancy. Each participant must agree to supply the information or documentation necessary to verify their income and update this on an annual basis. Sponsor agencies should include this in the occupancy agreement.



3. SUPPORTIVE SERVICES

A key goal of the Shelter Plus Care program is to connect housing and services. Appropriate supportive services are essential to helping individuals and families remain in a stable housing environment. In order to ensure that projects provide needed services, Shelter Plus Care Regulations require grantees/sponsors to match rental assistance with an equal amount of supportive services from other sources.

At the time of intake into the program, a service plan should be developed for each program participant, with the program participant establishing goals to be accomplished. (See the **Forms and Resources** section for a sample service plan form.) Case notes should be kept which document the participant's progress toward these goals, updating the goals as previously-established goals are accomplished.

Supportive services to individuals participating in the S+C program should be developed and coordinated by the staff of the sponsor organization. Supportive services provided both directly by the sponsors and through Memoranda of Understanding (MOU) with other community-based organizations can include: outreach, case management, crisis intervention, outpatient or short-term inpatient substance abuse treatment, mental health treatment, outpatient medical care, educational services, vocational services, child care, and transportation. Case Management and licensed ambulatory treatment services are expected to be a primary source of the supportive services in the OASAS S+C program.

State funding for case management has been provided to many of the Shelter Plus Care programs for which OASAS is the grantee. In this situation, the sponsor must document that the OASAS-funded case manager is working specifically with S+C program participants. Documentation, such as service plans, regular service plan updates and signed case notes must be included in each participant's file.

4. PARTICIPANT INVOLVEMENT

Sponsors are encouraged to fully involve participants in the operation and evaluation of the program. One way to do this is to encourage the formation of Tenant Associations which not only encourage tenants to play an active role in establishing policies and procedures but also allow them to provide valuable feedback regarding the needs of the program participants. OASAS encourages sponsors to include one or more homeless or formerly homeless persons on their agencies' Board of Directors in order to ensure that consumers have a voice in the operation and evaluation of the program.

5. TERMINATION OF ASSISTANCE

S+C regulations permit OASAS and sponsors to terminate assistance to an individual participating in the program who violates program requirements or conditions of occupancy. Sponsor agencies must exercise judgment and examine all extenuating circumstances in determining when violations are severe enough



to warrant termination, so that an individual's assistance is terminated only in the most severe cases. **It should be noted that the purpose of the Shelter Plus Care program is to provide permanent housing for persons with disabilities; therefore, every effort should be made to assist participants in retaining their housing. Failure to comply with substance abuse treatment should not, in itself, be reason for termination from the program, unless such a relapse is a serious threat to the safety of the participant and/or others.** Instead, every effort should be made to assist the participant in obtaining treatment while maintaining their housing. The sponsor is allowed to retain an apartment for up to three months (with S+C paying for the one month of rent) for program participants who have sought in-patient substance abuse treatment and intend to return to their apartment after the completion of treatment. The sponsor may resume assistance to an individual whose assistance has been terminated.

DUE PROCESS

In terminating assistance to an individual participating in the program, the sponsor must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of:

- (1) Written notice to the participant containing a clear statement of the reasons for termination;
- (2) A review of the decision, in which the participant 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; and
- (3) Prompt written notice of the final decision to the participant.



NONDISCRIMINATION AND EQUAL OPPORTUNITY REQUIREMENTS

Preference in admission should be given to persons with disabilities related to alcohol/substance use, who may have accompanying psychiatric disorders and/or HIV/AIDS. However, OASAS and the sponsors must comply with the requirements set forth for nondiscrimination on the basis of race, color, religion, sex, national origin, age, familial status, and handicap as directed in 582.330 of the S+C regulations (See **Shelter Plus Care Program Final Rule, 24 CFR Part 582** in the **Forms and Resources** section).

OASAS and the sponsors must also comply with the handicap accessibility requirements, reasonable modification, and accommodation requirements of the Fair Housing Act and of Section 504 of the Rehabilitation Act of 1973, as amended.



D. Reporting and Vouchering for Payment

SPONSORS MUST MAINTAIN DOCUMENTATION ON ELIGIBILITY, INCOME, RENTAL ASSISTANCE, SERVICES AND PROGRESS FOR ALL PARTICIPANTS; MAINTAIN DOCUMENTATION ON SUPPORTIVE SERVICES PROVIDED AS MATCH; MAINTAIN FINANCIAL RECORDS THAT ADEQUATELY IDENTIFY GRANT FUNDS RECEIVED, PROGRAM INCOME AND DISBURSEMENTS; SUBMIT VOUCHERS TO OASAS ON A MONTHLY BASIS; AND COMPLETE AN ANNUAL PROGRESS REPORT AT THE END OF EACH PROGRAM YEAR.

HUD requires that Shelter Plus Care grantees and sponsors retain and provide access to program records as outlined in 24 CFR (85.42). Program records include all financial and programmatic records, supporting documents, and statistical records.

In most cases, the records must be kept for three years after the close-out report is submitted. If there is pending litigation, an audit, or other action at the end of the three years, grantees must retain the records until the issues are resolved. The Federal Freedom of Information Act (5 USC 552) does not apply to S+C program records. Unless required by other Federal, State or local law, grantees are not required to permit public access to their records.

1. ANNUAL PROGRESS REPORT

The Annual Progress Report (APR) tracks program progress and accomplishments in HUD's competitive homeless assistance grant programs. As the grant recipient, OASAS must submit an APR for each grant to HUD. Failure to submit an APR may lead to a delay in receiving future grant funds. In addition, failure of a Shelter Plus Care project to meet the performance goals measured through the APR could cause a local Continuum of Care coordinating body not to recommend the project to HUD for renewal. The Shelter Plus Care performance goals measured through the APR are: 1) percentage of participants that are retained in the Shelter Plus Care program for 7 months or more and 2) percentage of participants who obtain employment as a result of participation in the Shelter Plus Care program. In addition, the project must serve at least the number of individuals/families targeted in its funding application. If the number of participants is 85% or below the contracted amount, a corrective action plan must be included in the submission.

In order to make it possible to complete the APR as accurately and expeditiously as possible, sponsors are asked to use the worksheet included with the APR to track each participant from time of entry until the date that they leave the program. The worksheet need not be submitted to OASAS, but should be kept by the sponsor as back-up documentation to the completed APR.

So that OASAS is able to submit a timely report, each sponsor must complete an Annual Progress Report and submit it to OASAS **within 60 days after the end of**



the operating year. The operating year begins on the date that HUD signed the original grant agreement with OASAS or as specified in renewal agreements. It is critical that each sponsoring agency use the HUD definitions and instructions included in the Annual Progress Report and submit APRs to OASAS on a timely basis.

2. SUPPORTIVE SERVICES MATCH

Given the requirement that the value of supportive services provided meet or exceed the amount expended on rental assistance subsidies, it is especially critical that service providers understand their responsibilities in tracking and documenting services offered to S+C participants. Grantees and their partners need to develop procedures and reporting formats to collect and compile this information.

Because the service needs of S+C participants who are newly receiving substance abuse treatment are high, it is likely that the value of supportive services provided to them will initially exceed the value of the S+C rental assistance. However, in order to get credit for having met the statutory match requirement, these supportive services must be adequately documented (see the “Supportive Services Match Documentation form in the **Forms and Resources** section). One of the challenges facing Shelter Plus Care providers is that, as the participant becomes more stabilized, he/she requires fewer supportive services and therefore runs the risk of not engaging in the amount of support services that are equal in dollar value to the rental subsidy received. This requires careful monitoring by the provider. It is important to remember that it is the total value of all supportive services received by all program participants throughout the entire course of the Shelter Plus Care contract period that is measured by HUD; the supportive services offered to any one individual do not have to exactly match the cost of the particular rental subsidy given to him/her.

Service plans need to be developed and tailored to each participant’s needs, both at program entry and over time. Sponsors must perform ongoing assessments of participants’ progress and service needs and adjust the service plans as needed. (See 24 CFR 582.300 b-c.) This is essential so that tenants are not made to receive specific services for which there may no longer be a need. It should be noted that while peer-delivered and other no-cost programs (such as AA or other self-help groups) may be very beneficial to program participants, they cannot be counted in the supportive services match. Therefore, it is very important that participants continue to access some supportive services that have a cost associated with them that can be used for the supportive services match.

In calculating the value of supportive services that fulfill matching requirements, recipients may include:

- Salaries paid to staff who provide supportive services to S+C participants (as long as the program can clearly document the portion of the staff salaries that are dedicated to serving Shelter Plus Care participants);



- The value of supportive services provided by other persons or organizations to S+C participants;
- The value of time and services contributed by volunteers at the rate of \$10.00 an hour;
- The value of any lease on a building used for the provision of supportive services;
- The cost of outreach activities, as described below:

Recipients must use their best efforts to ensure that eligible hard-to-reach persons are served by S+C. Outreach should be primarily directed toward eligible persons who have a nighttime residence that is an emergency shelter or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., persons living in cars, streets, and parks). **Outreach activities are considered to be a supportive service**, and the value of such activities that occur **after the execution of the grant agreement** may be included in meeting the matching requirement.

3. MONTHLY CLAIMING PROCEDURES

Sponsors are required to submit claims to OASAS on a monthly basis. The claim is comprised of three forms:

- State Aid Voucher
- HUD Request Voucher for Grant Payment
- Monthly Statement of Grant Expenses.

The forms and instructions for their use are included in the **Forms and Resources** section. All back-up documentation such as copies of the sponsor's lease with the landlord, a Tenant Rent Calculation Worksheet for each tenant, and Rent Reasonableness Certification Forms for each unit which exceeds the Fair Market Rent must be maintained in the sponsor's files. HUD reserves the right to request copies of all documentation at any time and the sponsors must be prepared to present such documentation in a timely manner. At this time, the NYC HUD Office is requiring copies of all of the above noted documentation with the first claim for a grant period. Subsequent vouchers need only contain back-up documentation for tenants that began the program after the first claim was submitted. Because of HUD requirements regarding prompt submission of claims, final claims for the contract year must be submitted to OASAS **no later than 60 days** after the end of the contract year in order for OASAS to obtain reimbursement from HUD for them.

4. FINANCIAL RECORDS

Sponsors should maintain financial systems, procedures and controls sufficient to document and monitor all project expenditures and transactions. Accounting records must sufficiently identify grant awards received, obligation of S+C funds, unobligated balances, assets and liabilities, program income (including participant contributions) and total outlays or expenditures to date.



Sponsors must maintain S+C financial records for three years from the date of the closeout notification signed by HUD. Sponsors who annually receive more than \$500,000 in federal funding are required to submit audits in compliance with federal A-133 regulations.



E. Grants Management and Participation in Local Continuum of Care Planning Processes

While OASAS is the grantee through which each sponsor receives Shelter Plus Care funding, each contract is also monitored through its local Continuum of Care coordinating body. It is the responsibility of each Continuum of Care's coordinating body to ensure that the projects funded through each Continuum of Care application meet HUD's performance standards. Because of the way in which the Continuum of Care funding process is structured, a low performance score by one provider can have a negative impact on all of the providers in the Continuum of Care planning area.

Currently, Shelter Plus Care renewal contracts are not required to be funded with funds from the region's "Pro-Rata Need" (funding budget), but this does not mean that Shelter Plus Care programs will be automatically renewed. Shelter Plus Care programs that are up for renewal may be asked by each Continuum of Care coordinating body to provide information, not only about program performance, but about the number of people served, the extent of linkage with local providers, and the role played in the larger continuum of homeless housing and supportive services within the community. **It should be noted that it is the local Continuum of Care coordinating body that makes the ultimate decision regarding if a Shelter Plus Care contract is eligible to be submitted to HUD for renewal.** Because failure to renew a Shelter Plus Care contract would result in currently housed individuals and families becoming homeless, the local Continuum of Care coordinating body would have to make a strong case with HUD that the program was no longer needed, but in circumstances of extremely poor performance, suspected fraud, or perceived mistreatment of participants, the Continuum of Care coordinating body has the right to do so. For this reason, and because it is in the best interest of Shelter Plus Care participants for the sponsor agency to coordinate its services with the rest of the community, Shelter Plus Care program sponsors are encouraged to participate in their local Continuum of Care planning processes.

Initial Shelter Plus Care contracts are funded for a five-year period. If there is sufficient funding remaining at the end of the fifth year for the program to fund a sixth year of the grant or longer, OASAS may apply to the HUD Field Office for a no-cost extension for five years. While the extension is for a five-year period, the grant may be renewed before that period if all funding has been expended. Once a Shelter Plus Care grant is eligible for renewal, it may be renewed annually for a one-year period. These renewal contracts may not be extended; at the end of the one-year grant period, all remaining monies are recaptured, and a new one-year renewal contract will be issued.



OASAS Shelter Plus Care Program Management Guide

Sponsor Self-Assessment Worksheets



OASAS Shelter Plus Care Program Management Guide

SELF-ASSESSMENT WORKSHEETS

The primary goals of the OASAS Shelter Plus Care (S+C) program are to enable homeless persons who have been disabled by chronic substance abuse to:

- Obtain and remain in permanent housing;
- Increase their skills and/or income; and
- Achieve greater self-determination and independence.

In order to assess the adequacy of services being provided, S+C grantees and sponsors must ensure that all HUD regulatory requirements are being met and that all approved programmatic activities are being carried out. In fulfilling these responsibilities, grantees and sponsors must periodically evaluate the merits of S+C efforts by conducting a thorough assessment of each project component. Optimally, a Shelter Plus Care project assessment should focus on five key areas of review. These include: Overall Project Progress; Beneficiaries/Participants; Housing; Supportive Services; and Expenditures.

The protocols and methods outlined in this guide are designed to assist both local program and OASAS staff in conducting comprehensive assessments of S+C projects. The primary purpose of such reviews is to determine the extent to which projects are meeting their intended goals and to identify needs for technical assistance. These self-assessment worksheets should be completed and submitted 30 days prior to anticipated monitoring visits by OASAS staff and at other times as requested by OASAS. They may also be utilized by local Continuum of Care coordinating bodies in considering whether to recommend renewal funding.



SHELTER PLUS CARE SPONSOR SELF-ASSESSMENT WORKSHEETS

GENERAL INSTRUCTIONS: Complete *Assessment Worksheets* (Parts A – D) and *Summary Assessment*. Attach all completed *Participant Worksheets* and *Participant File Checklists*.

PART A – OVERALL PROJECT PROGRESS

S+C Project Name		Project Contact Person	Contact Phone No.
Month/Year of Original Award	Month/Year of Most Recent Renewal	Current HUD Award No.	Current OASAS Contract No.
Date that Project Actually Started (<i>If delays, explain</i>)		Date of Review	Person Responsible for Conducting the Review

INSTRUCTIONS: Describe how the project is achieving its objectives and operating close to or at capacity. Data Sources to be used in completing this section include approved S & C application and amendments, Annual Progress Reports (APRs), expenditure data, other records/correspondence. Review Methods – Complete and analyze Sections 1 – 5

1. Number of Participants/ Participants Served	Performance Indicator	Number Specified in Application	Most Recent Number (From APR/Visit/Review)
	1. Number of Single Individuals (not in families)		
	2. Number of Families (each family must contain one participant)		
	3. Total number of adults in families		
	4. Total number of children in families		
	Compare the number of participants projected in application with the current number being served. Calculate utilization rate. (Divide the sum of the number of single adults (#1) and number of families (#2) by the sum of each of these projected to be served in the application.) Note: while HUD requires that the number of adults/children in families be recorded, this is not taken into consideration in the utilization rate.		
Is this within an acceptable range? If fewer participants than projected are identified, what is being done to increase the number served?			
2. Housing Provided	Performance Indicator	Number Specified in Application	Current Number Being Utilized
	1. Number of Studio Rental Subsidies		
	2. Number of 1 Bedroom Rental Subsidies		
	3. Number of 2 Bedroom Rental Subsidies		
	4. Number of 3 Bedroom Rental Subsidies		
	5. Number of Other Rental Subsidies		
Compare the type and number of rental subsidies proposed or approved in this application with those currently being offered. Explain any discrepancies.			



**SHELTER PLUS CARE
SPONSOR SELF-ASSESSMENT WORKSHEETS**

PART A – OVERALL PROJECT PROGRESS (cont'd)

3. Supportive Services/ Match Provided	Matching Services	Dollar Value Provided According to Last APR	Method of Documentation (<i>staff salaries, documentation from other providers, etc.</i>)
	1. Outreach		
	2. Case Management		
	4. Life Skills		
	5. Alcoholism and Substance Abuse Services		
	6. Mental Health Services		
	7. AIDS-Related Services		
	8. Other Health Care Services		
	9. Education		
	10. Housing Placement		
	11. Employment Assistance		
	12. Child Care		
	13. Transportation		
	14. Legal Services		
	15. Other (specify)		
	Total		
Compare the value of the supportive services provided with the total amount of money spent on rental subsidies during the last APR period. Is the value of the supportive services equal to or exceed the amount spent on rental subsidies? If not, detail your plans for addressing this discrepancy.			

4. Participant Progress Towards Self-Deter- mination	A. Total Number of Participants in the Program at this time		
		B. Of [A] how many have been in the program more than 7 months?	
	C. Total Number of Participants who left the program in the past 12 months.		
		D. Of [C] how many were in the program for more than 7 months?	
	E: Total number in program longer than 7 months (B + D) .		
	F. Total number of participants in the past 12 months (A + C) .		
	G. Percentage of participants in the Program longer than 7 months. (E / F) .		%
	H. Of total participants who left the program (C) how many were employed at exit?		
	I. Percentage of participants employed at ext. (H / C) .		%



SHELTER PLUS CARE SPONSOR SELF-ASSESSMENT WORKSHEETS

PART B – BENEFICIARIES/PARTICIPANTS

INSTRUCTIONS: Describe how the project is serving the intended target population and how participant eligibility is documented. Data Sources to be used in completing this section – approved S + C application and amendments, list of project participants, participant files.

Review Methods – Select random sample of 10% of active participant files (minimum sample of 5 files) and 2 closed files. Review files and complete Participant Worksheet (Attachment A) for each.

<p>1. Does each participant's file include all required items per S + C Participant Files Checklist? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, list participant numbers with missing documents.</p>
<p>2. Does documentation demonstrate that participant was homeless prior to entry per HUD Standards for Homeless Documentation? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, list participant numbers with missing documents.</p>
<p>3. Does documentation demonstrate that participant is disabled (i.e., chronic substance abuser)? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, list participant numbers with missing documents.</p>



SHELTER PLUS CARE SPONSOR SELF-ASSESSMENT WORKSHEETS

PART C – SUPPORTIVE SERVICES

INSTRUCTIONS: Describe how appropriate services are being provided to participants; describe how participants' needs are regularly assessed. Data Sources to be used in completing this section: approved S + C application and amendments, participant files, occupancy agreements.

Review Methods –Review selected participant case notes and files. Complete Participant Files Checklist for each.

1. Indicate services being provided per participant case notes. [Should correspond to services listed in section A.3. on page 2.]
2. How are participants' needs periodically re-assessed?
3. Is an Occupancy Agreement in participant file? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, list files missing documentation.
4. Does agreement specify that participation in supportive services is mandatory? <input type="checkbox"/> Yes <input type="checkbox"/> No

NOTES/COMMENTS:



SHELTER PLUS CARE SPONSOR SELF-ASSESSMENT WORKSHEETS PART D – HOUSING

INSTRUCTIONS: Describe how housing meets appropriate standards, how residential supervision is adequate, that residential rents are reasonable, that participant rent is calculated correctly and due process is provided for terminations.

Data Sources to be used in completing this section – Participant Files: housing inspection reports, rent reasonableness calculations and documentation. General: project’s policies/procedures for selection of rental units, policies/procedures for handling participant terminations, building/occupancy permits, results of special testing (i.e., lead paint).

Review Methods – Review individual participant files to determine that each rental unit meets Housing Habitability Standards (HHS).

1. Is HHS Inspection Checklist in participant’s file?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Is rental unit re-inspected annually?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Is rent reasonable compared to comparable units in area? [Is Rent Reasonable Checklist in file?]	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Is rent certified by agency? [Is Certification of Rent Reasonableness in file?]	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Is rent calculated correctly using Tenant Rent Calculation Worksheet in HUD Notice CPD96-?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Does rent meet current Fair Market Rents ?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Review written description of how rental units are identified and selected. Are policies and processes adequate? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, identify inadequacies.	
8. Review project policy on terminations and any files of terminated participants. Do the closed files indicate that this policy has been followed and adequately documented? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, identify inadequacies.	
9. (OPTIONAL) Inspect facility to assess habitability [24 CFR582.305(a)]? In Compliance? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, cite deficiencies.	



SHELTER PLUS CARE SPONSOR SELF-ASSESSMENT WORKSHEETS

Summary of Documents Reviewed

SOURCES AND DOCUMENTS REVIEWED

(Check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> S+C Approved Application (and Amendments) | <input type="checkbox"/> Latest Project APR |
| <input type="checkbox"/> Interviews with Project Staff | <input type="checkbox"/> List of S+C Participants |
| <input type="checkbox"/> List of Rental Units | <input type="checkbox"/> Documentation of Tenant Involvement |
| <input type="checkbox"/> Policy for Handling of Participant Terminations/Due Process Procedures | <input type="checkbox"/> S+C Expenditure Data/Financial Records |
| <input type="checkbox"/> Fiscal Management /Budget Control Procedures | |
| <input type="checkbox"/> Other _____ | |



SHELTER PLUS CARE SPONSOR SELF-ASSESSMENT WORKSHEETS

SUMMARY ASSESSMENT

OVERALL PROJECT PROGRESS	Is the project achieving its objectives and operating close to or at capacity? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments:
BENEFICIARIES/ PARTICIPANTS	Is the project serving the intended target population? <input type="checkbox"/> Yes <input type="checkbox"/> No Is participant eligibility documented? <input type="checkbox"/> Yes <input type="checkbox"/> No Is participant contribution to rent documented? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments:
SUPPORTIVE SERVICES	Are appropriate supportive services being provided to participants? <input type="checkbox"/> Yes <input type="checkbox"/> No Are participant needs regularly assessed? <input type="checkbox"/> Yes <input type="checkbox"/> No Does the value of the supportive services match the amount being spent on rental Subsidies? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments:
HOUSING	Does housing meet appropriate standards? <input type="checkbox"/> Yes <input type="checkbox"/> No Are residential rents reasonable? <input type="checkbox"/> Yes <input type="checkbox"/> No Are participant rents calculated correctly? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments:
EXPENDITURES	Are funds being spent on appropriate activities? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments:
Overall Assessment Summary:	
TA Need Identified:	
Best Practices Identified:	



OASAS Shelter Plus Care Program Management Guide



Sponsor Self-Assessment Worksheet Attachments

Attachment A: Participant Worksheet

Attachment B: Shelter Plus Care Participant Files Checklist



**OASAS Shelter Plus Care
Program Management Guide**

B. Participant Files Checklist

Participant ID: _____

- Participant Intake Form
 - Participant Service Plan Form and Updates
 - Participant Progress/Case Notes
 - Homelessness Certification
 - Documentation of Disability and DSM-IV TR Diagnosis
 - Initial Tenant Rent Calculation Worksheet and Income Verification
 - Annual Tenant Rent Calculation Worksheet and Income Verification
 - Supportive Services Match Documentation
 - Participant Occupancy Agreement (signed, dated)
 - Current S+C Lease with Landlord (signed, dated)
 - Initial Housing Habitability Standards Inspection
 - Annual Housing Habitability Standards Re-inspections/Updates
 - Rent Reasonableness Checklist
 - Certification of Rent Reasonableness
-

Comments:



OASAS Shelter Plus Care Program Management Guide



Forms and Resources

- 1. Intake Form***
- 2. Certification of Homelessness Form***
- 3. HUD Standards for Homeless Documentation***
- 4. Supportive Services Plan***
- 5. Supportive Services Tracking Form***
- 6. Sample Participant Occupancy Agreement***
- 7. Rent Reasonableness Checklist***
- 8. Certification of Rent Reasonableness***
- 9. Tenant Rent Calculation Worksheet/HUD Notice CPD 96-03***
- 10. Housing Habitability Standards Inspection Form***
- 11. Sample Lease***
- 12. Monthly Vouchering Instructions and Form***
- 13. Shelter Plus Care Regulations (24 CFR Part 582)***



Attachment 1:
Client Intake Form



Shelter Plus Care Rental Assistance Intake Form

Name: _____ Date: _____

Date of Birth _____ SS# _____

Referring Agency: _____ Referral Person _____

Case Manager: _____ Phone Number: _____

Current Residence If Any: _____

Phone Number or Other Means of Contact: _____

Alternate Means of Contact: _____

Current Living Situation: (Note: Must Meet HUD Definition of Homelessness)

Please check one:

Non-housing(street, car, park, etc)	
Emergency shelter	
Transitional housing after having been homeless	

Note: If the participant came from an institution (such as a mental health/substance abuse treatment facility) but was there less than 30 days and was living on the street or in emergency shelter before entering the treatment facility, he/she should be counted in either the street or shelter category, as appropriate.

Certification of Homelessness is completed and attached: _____

Can the person be considered chronically homeless (homeless continuously for one year or more or have experienced four episodes of homelessness in the last three years)?

Yes _____ (documentation is attached) No _____

What is the qualifying disability? _____

Is documentation from a professional qualified to make a disability determination attached? Yes _____ No _____

Other Household Members: *Please list all family members who will be living in the household:*

Relationship	Name	Date of Birth	Age	Social Security #



Demographics:

Please place the total number of household members in each box.

Ethnicity:

Hispanic or Latino	
Non-Hispanic or Non-Latino	

Race:

American Indian/Alaskan Native	
Asian	
Black/African American	
Native Hawaiian/Other Pacific Islander	
White	
American Indian/Alaskan Native & White	
Asian & White	
Black/African American & White	
American Indian/Alaskan Native & Black/African American	
Other Multi-Racial.	

Special Needs Program Qualifications: *(For primary program participant only, please check all that apply): Must have a diagnosed Axis I substance use disorder to be eligible for the program)*

Mental illness	
Alcohol abuse	
Drug abuse	
HIV/AIDS and related diseases	

Other: *(please check all that apply)*

Developmental Disability	
Physical Disability	
Domestic Violence	
Other (please specify)	

Total Household Monthly Income from Each of the Following Sources:

Supplemental Security Income (SSI)	
Social Security Disability Income (SSDI)	
Social Security	
General Public Assistance	
Temporary Aid to Needy Families (TANF)	
Child Support	
Veteran's Benefits	
Employment Income	
Unemployment Income	
Medicare	
Medicaid	
Food Stamps	
Other (please specify)	
No Financial Resources	



Bank Accounts:

Type of Account	Bank Name and Address	Amount
Checking		
Savings		

Other Assets: _____

Asset Declaration: I certify that the above listed assets are the only assets of which I am either full or partial owner, that my name does not appear on any other bank accounts, checking accounts, saving certificates, stocks, bonds, or any other kind of asset. I further certified that I have not disposed of any property worth more than \$2,000 in the last two year period.

I certify that all of the information included in this application is true and correct.

Applicant Name: _____

Signature: _____

Date: _____

The following documentation should be included with this form:

- Signed Release of Information form
- Birth certificate (or verification of birthplace/date from Social Security, proof of application from HSA/DSS for copy of birth certificate, or driver's license)
- Award letter for SSI/SSDI from Social Security Administration, budget from HSA/DSS, or other documentation of income (pay stubs, etc.)
- Documentation of disability (letter from treatment provider, primary care provider, signed by professional qualified to make the diagnosis)
- Certification of Homelessness



Attachment 2:
Certification of Homelessness



Shelter Plus Care Program Certification of Homelessness

Participant Name _____ Date _____

Other Household Members _____

I certify that the person(s) listed above qualify as “homeless” under the definition used in the HUD-funded Shelter Plus Care Program because they meet one of the following criteria: *(Please review the attached Homeless Eligibility and Documentation Guide before checking the appropriate response):*

___1. Living on the street or in a place not meant for human habitation *(please explain):*

___2. Living in an emergency shelter *(please give details)*

___3. Living in transitional housing after having been homeless *(Please attach letter providing details)*

___4. Living in an institution (such as a substance abuse/mental health treatment facility) less than thirty days after having met criteria #1 or #2 above. *(Please attach letter providing details.)*

I certify the information above to be true.

Agency _____

Agency Representative *(please print name)* _____

Signature _____ Date _____



Attachment 3:

***Homelessness Eligibility
and Documentation Guide***



Shelter Plus Care Homelessness Eligibility and Documentation Guide

If your S+C program serves...	Then you need to...	This means...
Persons living on the street or places not meant for human habitation	Document their homeless status	You must verify that an individual is coming from the street through a certification from an outreach worker or organization that the person was living on the street. If you are unable to verify in this manner, the participant or a staff member may prepare a short written statement about the participant's previous living place and have the participant sign the statement and date it.
Persons coming from an Emergency shelter	Verify from the emergency shelter staff that the participant has been residing at the emergency shelter.	You need to obtain from the referring agency a written, signed, and dated verification that the individual has been a resident of the emergency shelter.
Persons coming from transitional housing for Homeless persons	Verify with the transitional housing staff that the participant has been residing at the transitional housing.	You should obtain: 1) a signed statement from the transitional housing staff indicating that the individual is a resident there; and 2) the referring agency's signed and dated verification as to the individual's homeless status when he/she entered their program.
Persons from a short-term stay (up to 30 consecutive days) in an institution who previously resided on the street or in an emergency shelter	Verify from the institution staff that the participant has been residing at the institution and was homeless before entering the institution.	You must obtain: 1) written verification from the institution's staff that the participant has been residing in the institution for less than 31 days; and 2) information on the previous living situation. Preferably, this will be the institution's written, signed, and dated verification on the individual's homeless status when he/she entered the institution.



Attachment 4:
Supportive Services Plan



Shelter Plus Care Supportive Services Plan

Participant Name: _____

Address: _____

Participant Goals	Short Term Plan	Long Term Plan	Completion Date
Example: John wants to gain regular employment.	Example: John will meet with assigned case manager for an assessment of skills and options.	Example: John will work with the Employment Counselor to become gainfully employed.	Example: 1 year

I, _____, have worked with and agreed upon the above goals with my case manager.

In order to achieve Goal #1 I will:

In order to achieve Goal #2 I will:

In order to achieve Goal #3 I will:

I will meet with my Case Manager to assess my progress and update my goals as needed Quarterly.

(Participant Signature)

(Date)

(Case Manager Signature)

(Date)



Attachment 5:
Supportive Services Tracking Form



Shelter + Care Supportive Services Tracking Form

NAME OF SERVICE PROVIDER: _____

CLIENT NAME: _____ PERIOD: _____

YES	SERVICE OR REFERRAL	HOURS	RATE	MATCH \$
	a. Outreach			
	b. Case Management			
	c. Life Skills (outside of case management)			
	d. Alcohol and Drug Abuse Services			
	e. Mental Health Services			
	f. AIDS Related Services			
	g. Other health care services			
	h. Education			
	i. Housing Placement			
	j. Employment Services			
	k. Child Care			
	l. Transportation			
	m. Legal			
	n. Other:			
O. TOTAL SUPPORTIVE SERVICES MATCH (Sum of A through N) =				

I verify in accordance with Federal reporting guidelines that the above information is accurate and correct.

Signature

Date



Attachment 6:
Sample Participant Occupancy Agreement



Sample Participant Occupancy Agreement

As a participant in the _____ (Provider) Shelter Plus Care program, I agree to comply with the following requirements:

1. ____ I will not abuse alcohol or other substances and will only take prescribed drugs as recommended by my physician.
2. ____ I agree to work on achieving the goals that I have set and to participate in all supportive services indicated in my Supportive Services Plan.
3. ____ I agree to pay my portion of the rent in full and on time.
4. ____ I agree to report any changes in my or my family's income promptly to (provider) and agree to participate in an annual income review.
5. ____ I agree to abide by all terms of the lease for the apartment in which I reside.
6. ____ I agree not to engage in any illegal activities while participating in the Shelter Plus Care program.
7. ____ If my treatment provider recommends inpatient care, my apartment will be held for a maximum of 90 days, provided that my portion of the rent is paid and if circumstances permit.
8. ____ I agree to meet with my Case Manager/Counselor at least monthly at a mutually agreeable time.
9. ____ I agree that no long-term guests will be allowed to stay in my apartment without the prior written permission of (provider). [NOTE: Long-term guests are defined as anyone except a tenant staying overnight more than two nights.]
10. ____ I agree to sign all appropriate release forms.
11. ____ I agree that, before terminating my occupancy of the apartment, I will give (provider) 30 days written notice. I understand that (provider) will give me 30 days written notice -- containing a clear statement of reasons for termination -- before they terminate the agreement. (Provider's) decision to terminate this agreement can be appealed. During the review process, I will have an opportunity to present written or verbal objections before a person other than the person (or subordinate thereof) that made or approved the termination decision. Prompt written notice following the final decision will be provided to me.
12. ____ I have received a copy of this agreement and understand that failure to comply with any of its terms may result in my termination from the Shelter Plus Care program. I have initialed each item to signify my understanding of and consent to each condition.

This agreement will take effect on the date of the signatures indicated below and expires after one month, although it is automatically renewable on a month-by-month basis, unless prior written notice is provided by either participant or (provider).

Agency Staff: _____ Date: _____

Resident: _____ Date: _____

Witness: _____ Date: _____



Attachment 7:
Rent Reasonableness Checklist



Rent Reasonableness Checklist

(Street Address and Apt/Unit #)

(City, County)

Published Fair Market rent for this type unit is \$ _____ whereas the required contract rent is \$ _____ plus utilities of \$ _____ (if utilities are not provided by landlord, must use current utility allowance chart provided by housing authority.)

Location: _____ Unit Type: _____ Mgmt/Maint. Svc: _____

Bedrooms: _____ Facilities: _____ Square Feet: _____

Year Built: _____ Amenities: _____

Does Unit Meet HQS? _____ Comments: _____

The following are rent comparable units:

		Unit #1	Unit #2	Unit #3
1	Address			
2	Square Feet			
3	# Bedrooms			
4	Location – Accessibility to Services (List)			
5	Unit Type			
6	Quality – Meets HQ Standards?			
7	Amenities (List)			
8	Facilities (List)			
9	Date Built			
10	Mgmt. And Maintenance Services			
11	Gross Rent (including utilities)			
12	Allowance for Tenant-Supplied Utilities			
13	Fair Market Rents			

In accordance with 24 CFR 882.106, I certify that, based on information available to this office, the requested contract rent: **is** **is not** reasonable.

(Name of Agency/Sponsor)

(Authorized Official Name/Title)

(Authorized Official Signature)

(Date)



Attachment 8:
Certification of Rent Reasonableness



Number of Bedrooms: _____

5. Is the rent for the unit higher than rents the owner charges for comparable, unassisted units?
[] Yes [] No

(If yes, the unit may not be approved as reasonable.)

The agency/sponsor hereby certifies that the contract rent is reasonable.

(Name of Agency/Sponsor)

(Authorized Official Name/Title)

(Authorized Official Signature)

(Date)



Attachment 9:
***Tenant Rent Calculation Worksheet/
HUD Notice CPD 96-03***



Tenant Rent Calculations

FOR CERTAIN HUD MCKINNEY ACT PROGRAMS

Notice Number: CPD 96-3

U.S. Department of Housing and Urban Development

Office of Community Planning and Development

Issued: March 22, 1996

1. **Purpose.** This Notice replaces Notice CPD-91-11 issued on April 11, 1991, and provides guidance for recipients under the following HUD programs:

- Supportive Housing Demonstration Program (SHDP). Tenant rental payments in the amount specified in section 3 below are required. (24 CFR 577.320; 578.320)
- Supportive Housing Program (SHP). At the recipient's discretion tenant rent may be charged but may not exceed the amount specified in section 3 below. (24 CFR 583.315)
- **Shelter Plus Care (S+C). Tenant rental payments in the amount specified in section 3 below are required. (24 CFR 582.310)**
- Section 8 Moderate Rehabilitation Program for Single Room Occupancy for Homeless Individuals (SRO). Tenant rental payments in the amount specified in section 3 below are required. (24 CFR 882.808)

2. **Background.**

The McKinney Act (42 U.S.C. 11301) as amended by the Housing and Community Development Act of 1992 (Public Law 102-550; approved October 28, 1992) established numerous programs to serve homeless persons, including SHDP, SHP, S+C, SRO, Emergency Shelter Grants (ESG) and Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) ESG and SAFAH have no statutory provisions regarding rent payments. Therefore, they are not subject to this Notice. The Act also establishes the Safe Havens for Homeless Individuals Demonstration and Rural Homeless Housing Assistance programs. Because these two programs have neither received specific funding from Congress nor have had regulations issued for them by HUD, they, too, are not subject to the terms of this Notice.

Each of the programs subject to this Notice has its own treatment of family and disability which must be used when making income and rent determinations. Further, some programs have slightly different eligibility standards. See Attachment A to this Notice which contains a list of the relevant definitions as they apply to each program year. Beginning in 1993, all grant agreements have a copy of the applicable regulations as an Attachment A, which controls, notwithstanding future changes made to those regulations. As a result, starting with grants awarded in 1993, you should refer to that year's grant agreement form to identify the appropriate definitions. This does not apply to the SRO program because the obligating instrument for the program is an Annual Contributions Contract (ACC), not a grant agreement and the ACC does not contain the applicable program regulations as an attachment.

The term "resident" as used in this Notice means either homeless individual or an eligible person, either of which is residing in a facility operated under one of the programs subject to this Notice. These terms are defined by the program regulations for the particular program. The term "recipient" as used in this Notice means the organization responsible to HUD for administering any of the programs discussed in section 1 above. However, in SRO and the SRO component of S+C, if the recipient is not a PHA, it subcontracts with a PHA which is responsible for rent calculations.

3. **Calculating Rent Payments/Worksheet.**

a. Resident Rent. To determine the appropriate rent payment, the following steps should be taken:

- (1) Calculate 10 percent of monthly gross income. Determine whether the resident has income. The types of income listed in section 4a include the most common sources. Exclude any income that is from a source listed in section 4b. Total all eligible income to determine annual gross income, divide by 12 to determine monthly income, and then multiply by .1 to get 10 percent.
- (2) Calculate 30 percent of monthly adjusted income. Deduct the items listed in section 5 from the resident's annual gross income to determine annual adjusted income, divide by 12 to determine monthly adjusted income, and multiply by 3 to get 30 percent.



- (3) Determine whether the conditions are present to consider a welfare rent, and if so, determine the amount. If the resident receives public assistance and you are unsure whether a welfare rent applies, check with the HUD Field Office's Public Housing Division or the closest Public Housing Agency.
 - (4) Determine which of the above three items is highest. This is the amount of total resident payment, except for SHP. For SHP, the recipient may allow residents to pay a lesser amount, or no rent, if it so chooses. However, for SRO and SRO of S+C, Public Law No. 104-99, requires that in Fiscal Year 1996, the total tenant payment (TPP) must be the greatest of: 30 percent of family monthly adjusted income; 10 percent of family monthly income; or, \$25 or a higher minimum amount set by the housing agency up to \$50.
- b. Worksheet. An optional worksheet is attached (See Attachment B) which can be used to perform the four steps specified above. The worksheet begins with annual gross income.

4. **Determining Annual Gross Income.**

- a. Income that must be included. For purposes of determining resident rent, annual gross income is the total income of all family members, excluding any employment income of children under age 18, from all sources anticipated to be received in the 12-month period following the effective date of the income certification. As noted below, with respect to minors, income other than that from employment must be included. Please note that in S+C, unrelated persons can constitute a family and that the income of all adults living in the unit must be included in annual gross income. The information in section 4a and 4b is contained in 24 CFR 813.106, Annual Income, Interim Rule published in the Federal Register on April 5, 1995 (60 FR 17388). Annual gross income includes, but is not limited to:
- (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) 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 lump sum payment for delayed start of a periodic payment, but see section 4b(3) below;
 - (3) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see section 4b(3) below);
 - (4) Welfare assistance. Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments (e.g., Aid to Families with Dependent Children (AFDC) , Supplemental Security Income (551), and general assistance available through state welfare programs);
 - (5) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
 - (6) Net income from the operation of a business or profession;
 - (7) Interest, dividends, and other net income of any kind from real or personal property;
 - (8) All regular pay, special pay and allowances of a member of the Armed Forces, except special hostile fire pay.
- b. Income that must be excluded. Annual gross income does not include:
- (1) Income from employment of children (including foster children) under the age of 18 years;
 - (2) Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);
 - (3) 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 (but see section 4a(3) above);
 - (4) Amounts received by the family, that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
 - (5) Income of a live-in aide as defined in Sec. 813.102;
 - (6) The full amount of student assistance paid directly to the student or to the educational institution;
 - (7) Amounts received under training programs funded by HUD;
 - (8) Amounts received by a disabled person that are disregarded for a limited time for purposes of SSI income eligibility and benefits because they are set aside for use under a Plan for Achieving Self-Support (PASS); or
 - (9) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing,



- transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (10) 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 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, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;
 - (11) Compensation from state or local employment training programs 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 a limited period as determined in advance;
 - (12) Temporary, nonrecurring or sporadic income (including gifts);
 - (13) For all initial determinations and reexaminations of income carried out on or after April 23, 1993, 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;
 - (14) Earnings in excess of \$480 for each full time student 18 years old or older (excluding the head of household and spouse);
 - (15) Adoption assistance payments in excess of \$460 per adopted child;
 - (16) Deferred periodic payments of SSI income and social security benefits;
 - (17) 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;
 - (18) Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
 - (19) 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 included assistance under the U.S. Housing Act of 1937.
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b));
 - (b) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C.5044 , 5058);
 - (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626);
 - (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
 - (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624 (f));
 - (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b));
 - (g) Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub.L. 94-540, 90 Stat. 2503-2504);
 - (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary Of Interior (25 U.S.C. 117);
 - (i) 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 that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution (20 U.S.C. 1087uu);
 - (j) Payments received from programs funded under Title V of the Older Americans Act of 1965 (U.S.C. 3056(f) 1 ;
 - (k) Payments received 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.); and
 - (l) Payments received under Maine Indian Claims Settlement Act of 1980 (Pub.L. 96-420, 94 Stat. 1785) ;
 - (m) Earned income tax credit refund payments received from the Internal Revenue Service on or after January 1, 1991. Payments may be received in a resident's regular pay or as a single sum payment;
 - (n) Payments received as AmeriCorps Living Allowances (29 U.S.C. Sec.1552);
 - (o) Payments received under WIC-Supplemental Food Program for Women, Infants, and Children;
 - (p) Payments received under the National School Lunch Program (42 U.S.C. 175-176);
 - (q) Payments received under the Child Nutrition Act (42 U.S.C. 1771-1778);
 - (r) Payments received under the Child Care Block Grant Act of 1990.



5. **Determining Annual Adjusted Income.**

Annual adjusted income is determined by deducting from annual gross income the items listed below. Attachment B is a worksheet intended to help you make these calculations.

- a. **\$480 Per Dependent.** \$480 must be deducted for each dependent. Dependents include household members who are under 18, handicapped, disabled, or full-time students, but not any of the following: the family head, spouse, or foster children or, in the case of S+C, the person determined to be important to the care or well being of the eligible person.
- b. **Reasonable Child Care Expenses** anticipated during the period for children 12 and under that enable a household member to work or pursue further education are deducted. The amount deducted for child care to enable a person to work may not exceed the amount of income received from such work. In addition, child care expenses may not be deducted if the individual is reimbursed for these expenses.
- c. **Handicapped Assistance Allowance.** The handicapped assistance allowance covers reasonable expenses anticipated during the period for attendant care (provided by non-household member) and/or auxiliary apparatus for any handicapped or disabled household member that enables either that individual or another household member to work. The amount of expenses that exceeds three percent of annual gross income is deducted, provided the resident is not reimbursed for the expenses and the expenses do not exceed the amount earned by adult household members as a result of the handicapped assistance.
- d. **Medical Expenses of Elderly or Disabled Residents.** The amount that may be deducted for anticipated medical expenses not covered by insurance or unreimbursed, generally equals the amount by which the sum of handicapped assistance expenses, if any, as described in section 5 c. above, and medical expenses exceeds three percent of annual gross income.
- e. **\$400 Per Elderly or Disabled Family.** This allowance is provided to any family whose head of household, spouse, or sole member is at least 62 years old or is handicapped or disabled.

6. **Review of Income.**

In order to determine the correct rent payment, residents' income must be reviewed in those programs listed in section 1 where rent is to be collected. Their income must be reexamined at least annually. In addition, if there is a change in family composition (e.g., birth of child) or a decrease in the resident's income during the year, an interim reexamination may be requested by the resident and the resident rent adjusted accordingly. Residents who receive an increase in income need not have their rent increased until the next scheduled (annual) reexamination.

In those programs where rent is required, each resident must agree to supply such certification, release, information, or documentation as the recipient judges necessary to determine the resident's income. Recipients should use discretion in developing income determination procedures. Self-declaration may be used only if there is no other means of verification available.

7. **Accounting for Rental Income.**

Accurate financial records must be maintained. Recipients must appropriately document amounts of rental income collected from residents and the method used to determine those amounts. If the worksheet is used, it will provide the necessary documentation on how the amount of rent for each resident was determined. Separate documentation of sources of income must also be maintained.

8. **General Questions and Answers Regarding Resident Rent.**

a. **Is there a maximum or a minimum rent that can be charged?**

The United States Housing Act of 1937 states that resident rent must be the highest of either 30 percent of monthly adjusted income, 10 percent of monthly income, or, under certain circumstances, a locally-designated portion of public assistance. This standard sets an exact rent; there is no maximum or minimum per se. See section 1 (Purpose) for the SHP exceptions. However, see section 3.a. (4) for information on P.L. No. 104-99.

b. **When should income earned through participation in a training program be excluded for purposes of calculating the resident's rent payment?**



Income earned through training programs should be excluded if the training program is: funded by HUD (including training provided by HUD grantees and subgrantees using HUD program funds); is funded through the Job Training Partnership Act (JTPA) including AmeriCorps Living Allowances; or is funded by State or local employment training programs.

c. How do you distinguish between employment that is part of a training program and regular employment?

Employment-related activities are considered to be training rather than employment if the work activity is of a time-limited nature and there is a curriculum of activities with discrete goals related to a participant's skill development and employability. Examples of such activities may include on-the-job training for maintenance work, data entry, or food preparation.

d. If utilities are not included in rent, who pays the utilities?

In some circumstances the cost of utilities is not included in the resident rent but is the responsibility of the resident. This usually occurs for those living in units that are individually metered, and residents receive bills directly from the utility company. In such circumstances, the resident's rent would equal the resident's required rent payment less an allowance for reasonable utility consumption. Do not include the cost of telephone service as a utility for this purpose. If reasonable utility expenses alone exceed the amount the resident is required to pay for both shelter and utilities, the resident must be reimbursed for the difference. The attached worksheet reflects this calculation.

e. What is considered reasonable utility consumption?

Local public housing agencies (PHAs) maintain a schedule of utility allowances by housing type for the Section 8 program. To determine the amount to allow for a reasonable amount of utility consumption given a particular type and unit size of housing, the local PHA should be contacted for the schedule of utility allowances.

f. What are eligible child care expenses, and is this expense deducted in full?

Child care expenses can be deducted in full given the following conditions: the child or children are 12 years old and under; the resident is employed or enrolled in school while the dependent is receiving care; the amount deducted as child care expenses is necessary for the resident to work or attend school and the amount necessary for the resident to work does not exceed the amount earned while working; and the resident is not reimbursed for this expense.

g. If a participant pays for child care through a program fee, should this be deducted from income?

If the amount paid through program fees is for eligible child expenses (see question f, above), then the amount paid should be deducted from income.

h. Does income from seasonal employment, such as income earned through holiday employment, qualify for income exclusion under the "temporary, nonrecurring income" clause?

Unless the income is earned by family members younger than 18 years of age, seasonal income is counted just like other wages and salaries. Seasonal income includes, but is not limited to, holiday employment, summer employment, and seasonal-farm work. "Temporary, nonrecurring income" is income that is not expected to be regularly available in the future. An example of "temporary, non-recurring income" is income earned by census workers who helped take the 1990 census.

i. May fees for food and services be charged in addition to charging rent?

Participants in programs covered in this Notice may be charged fees for food and other services in addition to rent, but the fees should be reasonable and not conflict with the goal of helping residents achieve the highest level of independent living possible.

j. Should fees for supportive services be based on a sliding scale according to the income of the participant, or on a fixed basis?

Fees may be based either on a sliding scale according to the resident's income or on a fixed basis as long as those fees are reasonable to the income of the resident and in relation to the services provided.



k. Can fees apply to some residents but not others?

If there is a reasonable basis to charge only some residents, such as services that apply only to some residents, then fees can be selectively applied. However, in most cases if a fee is charged it would be applied to all residents.

l. Can recipients require the resident to save a portion of their income?

Federal regulations do not prohibit recipients from instituting mandatory savings programs. However, such programs, if adopted, should be applied to all residents. In addition, recipients should be aware that savings plans may result in asset levels that could jeopardize residents' eligibility for benefits such as AFDC, SSI and general assistance. Recipients may want to consult with their local public welfare office to discuss ways to implement savings programs without jeopardizing benefits available to their residents.

m. Are all residents eligible for a medical expense allowance?

No. Medical expenses can only be deducted if the head of household, spouse or sole member is at least 62 years of age, handicapped or disabled. In addition, only medical expenses in excess of 3 percent of annual income that are not reimbursed may be deducted. The amount deducted depends on the amount of handicapped assistance expenses as described in section 5c and 5d above.

n. What are typical handicapped assistance expenses?

Typical handicapped assistance expenses include specially equipping an automobile so that a household member can drive to work or paying for in-home attendant care of a handicapped child so that an adult member can work.

o. If residents receive earned income tax credits in their regular pay, how do I know how much to exclude?

The amount of income included in the residents' pay that is attributed to an earned income tax credit will be listed separately on their pay stubs. It will be the same amount in each check.

p. Is training provided through any of the programs listed in sections 1 and 2 of this Notice considered to be HUD-funded training?

Yes, if the training is provided using funds available through a grant, it is considered HUD-funded training, and income received from such training may not be counted as income when calculating resident rent payments.

q. May resident rent be used to pay expenses other than operating or leasing costs?

Rental income may be used for expenses other than operating or leasing costs at the recipient's discretion. For example, the residents' rent could be saved to be used to help them make the transition to permanent housing and greater independence.



Shelter Plus Care Tenant Calculation Worksheet

Name _____

1. Income. (as described in section 4a) (1) _____
2. Income exclusion.
(as described in section 4b) (2) _____
3. Annual Gross Income.
(line 1 minus line 2) (3) _____

Calculation of Adjusted Income:

Dependent Allowance

4. Number of Dependents, i.e., number of family members, other than head or spouse, or in S+C, the person determined to be important for the care of the eligible person, who are under 18, disabled, handicapped or full-time students. (4) _____
5. Multiply line 4 by \$480. (5) _____

Child Care Allowance

6. Enter anticipated unreimbursed expenses for care of children age 12 and under which will allow a household member to work or pursue education. It may not exceed the amount of income from such work. (6) _____

IF RESIDENT DOES NOT HAVE HANDICAPPED ASSISTANCE EXPENSES AND HEAD OF HOUSEHOLD, SPOUSE, OR SOLE MEMBER IS NOT HANDICAPPED, DISABLED, OR AT LEAST 62 YEARS OF AGE, SKIP TO NUMBER 15.

Handicapped Assistance Allowance

7. Handicapped assistance expenses. (7) _____
8. Multiply line 3 by 0.03. (8) _____
9. Subtract line 8 from line 7. (9) _____
10. Amount earned by family members which was dependent upon the handicapped assistance expense. 10) _____
11. Enter the lesser of lines 9 and 10.
This is the handicapped assistance allowance. (11) _____

IF HEAD OF HOUSEHOLD, SPOUSE, OR SOLE MEMBER IS 62 YEARS OF AGE OR OLDER, HANDICAPPED OR DISABLED, COMPLETE ITEMS 12-13; OTHERWISE SKIP TO NUMBER 15.



Medical Expenses and Elderly or Disabled persons Family Allowance

12. Medical expenses. (12)_____
13. If line 9 is > 0, enter the amount from line 12; otherwise, add lines 7 and 12 and subtract line 8. (13)_____
14. Elderly or disabled family allowance. Enter \$400. (14)_____

Adjusted Income

15. Total income adjustments. Add lines 5, 6, 11, 13, and 14. (15)_____
16. Adjusted Income. Subtract line 15 from line 3. (16)_____

Resident Rent Determination

17. 30% of Adjusted Monthly Income. Divide line 16 by 12 and multiply by 0.3 (17)_____
18. 10% of Monthly Income. Divide line 3 by 12 and multiply by 0.1 (18)_____
19. Welfare rent, if applicable. (19)_____
20. RESIDENT RENT. Enter the largest of lines 17, 18 and 19. (20)_____ [However, refer to section 3.a. (4) for information on P.L. No. 104-99, minimum rent of \$25 to \$50.]

IF THE RENT INCLUDES UTILITIES STOP HERE, OTHERWISE PROCEED TO NUMBER 21.

Determination of Resident Rent for Units Where Utilities are not Included in Rent

21. Utility Allowance. (21)_____
22. RESIDENT RENT. Subtract line 21 from line 20 (22)_____
23. UTILITY REIMBURSEMENT. (If the amount on line 22 is less than 0, change the minus to a plus. This is the amount that must be paid to the resident as a utility reimbursement.) (23)_____



Attachment 10:
Housing Quality Standards Inspection Form



Housing Habitability Standards (HHS) Inspection Form

Client # _____

A. General Information

Date of Inspection: _____

Address of Inspected Unit:

Street: _____

City: _____ County: _____ State: _____ Zip: _____

Name of Family: _____

Current Address of Family:

Street: _____

City: _____ County: _____ State: _____ Zip: _____

Current Telephone of Family: _____

B. How to Fill Out This Checklist

Proceed through the inspection as follows:

Area	Checklist Category
Room by Room	1. Living Room 2. Kitchen 3. Bathroom 4. All Other Rooms Used for Living 5. All Secondary Rooms Not Used for Living
Outside	6. Building Exterior
Basement or Utility Room	7. Heating and Plumbing
Overall	8. General Health and Safety

Each part of the checklist will be accompanied by an explanation of the item to be inspected.

Important: For each item numbered on the checklist, check one box only (e.g., check one box only for item 1.4 "Security," in the Living Room).

In the space to the right of the description of the item, if the decision on the item is "Fail," write what repairs are necessary.

Also, if "Pass" but there are additional code items or items not consistent with rehab standards or area codes, write these in the space to the right.



1. LIVING ROOM

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
1.1	LIVING ROOM PRESENT Is there a living room?			
1.2	ELECTRICITY Are there at least two working outlets or one working outlet and one working light fixture?			
1.3	ELECTRICAL HAZARDS Is the room free from electrical hazards?			
1.4	SECURITY Are all windows and doors that are accessible from the outside lockable?			
1.5	WINDOW CONDITION Is there at least one window, and are all windows free of signs of severe deterioration or missing or broken out panes?			
1.6	CEILING CONDITION Is the ceiling sound and free from hazardous defects?			
1.7	WALL CONDITION Are the walls sound and free from hazardous defects?			
1.8	FLOOR CONDITION Is the floor sound and free from hazardous defects?			
1.9	LEAD PAINT Are all interior surfaces either <i>free</i> of cracking, scaling, peeling, chipping, and loose paint or <i>adequately treated and covered</i> to prevent exposure of the occupants to lead based paint hazards?			
1.10	WEATHER STRIPPING Is weather stripping present and in good condition on all windows and exterior doors?			
1.11	OTHER			
1.12	OTHER			

Notes: (Give Item #)



2. KITCHEN

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
2.1	KITCHEN AREA PRESENT Is there a kitchen?			
2.2	ELECTRICITY Is there at least <i>one</i> working electric outlet and <i>one</i> working, permanently installed light fixture?			
2.3	ELECTRICAL HAZARDS Is the kitchen free from electrical hazards?			
2.4	SECURITY Are <i>all</i> windows and doors that are accessible from the outside lockable?			
2.5	WINDOW CONDITION Are all windows free of signs of deterioration or missing or broken out panes?			
2.6	CEILING CONDITION Is the ceiling sound and free from hazardous defects?			
2.7	WALL CONDITION Are the walls sound and free from hazardous defects?			
2.8	FLOOR CONDITION Is the floor sound and free from hazardous defects?			
2.9	LEAD PAINT Are all interior surfaces either <i>free</i> of cracking, scaling, peeling, chipping, and loose paint or <i>adequately treated and covered</i> to prevent exposure of the occupants to lead based paint hazards?			
2.10	STOVE OR RANGE WITH OVEN Is there a working oven and a stove (or range) with top burners that work?			
2.11	REFRIGERATOR Is there a refrigerator that works and maintains a temperature low enough so that food does not spoil over a reasonable period of time?			



2. KITCHEN

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
2.12	SINK Is there a kitchen sink that works with hot and cold running water?			
2.13	SPACE FOR STORAGE AND PREPARATION OF FOOD Is there space to store and prepare food?			
2.14	WEATHER STRIPPING Is weather stripping present and in good condition on all windows and exterior doors?			
2.15	OTHER			
2.16	OTHER			

Notes: (Give Item #)



3. BATHROOM

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
3.1	BATHROOM (see description) Is there a bathroom?			
3.2	ELECTRICITY Is there at least <i>one</i> permanently installed light fixture?			
3.3	ELECTRICAL HAZARDS Is the bathroom free from electrical hazards?			
3.4	SECURITY Are <i>all</i> windows and doors that are accessible from the outside lockable?			
3.5	WINDOW CONDITION Are all windows free of signs of deterioration or missing or broken out panes?			
3.6	CEILING CONDITION Is the ceiling sound and free from hazardous defects?			
3.7	WALL CONDITION Are the walls sound and free from hazardous defects?			
3.8	FLOOR CONDITION Is the floor sound and free from hazardous defects?			
3.9	LEAD PAINT Are all interior surfaces either <i>free</i> of cracking, scaling, peeling, chipping, and loose paint, or <i>adequately treated and covered</i> to prevent exposure of the occupants to lead based paint hazards?			
3.10	FLUSH TOILET IN ENCLOSED ROOM IN UNIT Is there a working toilet in the unit for exclusive private use of the tenant?			
3.11	FIXED WASH BASIN OR LAVATORY IN UNIT Is there a working, permanently installed wash basin with hot and cold running water in the unit?			
3.12	TUB OR SHOWER IN UNIT Is there a working tub or shower with hot and cold running water in the unit?			
3.13	VENTILATION Are there operable windows or a working vent system?			



3. BATHROOM

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
3.14	WEATHER STRIPPING Is weather stripping present and in good condition on all windows and exterior doors?			
3.15	OTHER			
3.16	OTHER			

Notes: (Give Item #)



4. OTHER ROOMS USED FOR LIVING & HALLS

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
4.1	ROOM CODE and ROOM LOCATION: right/left _____ front/rear _____ floor level _____	ROOM CODES 1 = Bedroom or any other room used for sleeping (regardless of type of room) 2 = Dining Room, or Dining Area 3 = Second Living Room, Family Room, Den, Playroom, TV Room 4 = Entrance Halls, Corridors, Halls, Staircases 5 = Additional Bathroom 6 = Other		
4.2	ELECTRICITY If Room Code = 1, are there at least two working outlets or one working outlet and one working, permanently installed light fixture? If Room Code does not = 1, is there a means of illumination?			
4.3	ELECTRICAL HAZARDS Is the room free from electrical hazards?			
4.4	SECURITY Are <i>all</i> windows and doors that are accessible from the outside lockable?			
4.5	WINDOW CONDITION If Room Code = 1, is there at least one window? And, regardless of Room Code, are all windows free of signs of severe deterioration or missing or broken out panes?			
4.6	CEILING CONDITION Is the ceiling sound and free from hazardous defects?			
4.7	WALL CONDITION Are the walls sound and free from hazardous defects?			
4.8	FLOOR CONDITION Is the floor sound and free from hazardous defects?			
4.9	LEAD PAINT Are all interior surfaces either <i>free</i> of cracking, scaling, peeling, chipping, and loose paint, or <i>adequately treated and covered</i> to prevent exposure of the occupants to lead based paint hazards?			
4.10	WEATHERSTRIPPING Is weather stripping present and in good condition on all windows and exterior doors?			



4. OTHER ROOMS USED FOR LIVING & HALLS

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
4.11	OTHER			
4.12	OTHER			

Notes: (Give Item #)



5. ALL SECONDARY ROOMS NOT USED FOR LIVING

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
5.1	NONE. GO TO PART 6			
5.2	SECURITY Are <i>all</i> windows and doors that are accessible from the outside lockable in each room?			
5.3	ELECTRICAL HAZARDS Are all these rooms free from electrical hazards?			
5.4	OTHER POTENTIALLY HAZARDOUS FEATURES IN ANY OF THESE ROOMS Are all of these rooms free of any other potentially hazardous features? For each room with an "other potentially hazardous feature" explain hazard and means of control of interior access to room.			
5.5	OTHER			
5.6	OTHER			

Notes: (Give Item #)



6. BUILDING EXTERIOR

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
6.1	CONDITION OF FOUNDATION Is the foundation sound and free from hazards?			
6.2	CONDITION OF STAIRS, RAILS, AND PORCHES Are all the exterior stairs, rails and porches sound and free from hazards?			
6.3	CONDITION OF ROOF AND GUTTERS Are the roof, gutters and downspouts sound and free from hazards?			
6.4	CONDITION OF EXTERIOR SURFACES Are exterior surfaces sound and free from hazards?			
6.5	CONDITION OF CHIMNEY Is the chimney sound and free from hazards?			
6.6	LEAD PAINT: EXTERIOR SURFACES Are all exterior surfaces which are accessible to children under seven years of age <i>free</i> of cracking, scaling, peeling, chipping, and loose paint, or <i>adequately treated or covered</i> to prevent exposure of such children to lead based paint hazards?			
6.7	MOBILE HOMES: TIE DOWNS If the unit is a mobile home, it is properly placed and tied down? If not a mobile home, check "Not Applicable."			
6.8	MOBILE HOMES: SMOKE DETECTORS If unit is a mobile home, does it have at least one smoke detector in working condition? If not a mobile home, check "Not Applicable."			
6.9	CAULKING Are all fixed joints including frames around doors and windows, areas around all holes for pipes, ducts, water faucets or electric conduits, and other areas, which may allow unwanted air flow appropriately caulked.			
6.10	OTHER			
6.11	OTHER			

Notes: (Give Item #)



7. HEATING, PLUMBING AND INSULATION

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
7.1	<p>ADEQUACY OF HEATING EQUIPMENT</p> <p>a. Is the heating equipment capable of providing adequate heat (either directly or indirectly) to all rooms used for living?</p> <p>b. Is the heating equipment oversized by more than 15%?</p> <p>c. Are pipes and ducts located in unconditioned space insulated?</p>			
7.2	<p>SAFETY OF HEATING EQUIPMENT</p> <p>Is the unit free from unvented fuel burning space heaters, or any other types of unsafe heating conditions?</p>			
7.3	<p>VENTILATION AND ADEQUACY OF COOLING</p> <p>Does this unit have adequate ventilation and cooling by means of operable windows or a working cooling system?</p>			
7.4	<p>HOT WATER HEATER</p> <p>Is hot water heater located, equipped, and installed in a safe manner?</p>			
7.5	<p>WATER SUPPLY</p> <p>Is the unit served by an approvable public or private sanitary water supply?</p>			
7.6	<p>PLUMBING</p> <p>Is plumbing free from major leaks or corrosion that causes serious and persistent levels of rust or contamination of the drinking water?</p>			
7.7	<p>SEWER CONNECTION</p> <p>Is plumbing connected to an approvable public or private disposal system, and is it free from sewer back up?</p>			
7.8	<p>INSULATION</p> <p>Are the attic and walls appropriately insulated for regional conditions?</p>			
7.9	<p>OTHER</p>			
7.10	<p>OTHER</p>			

Notes: (Give Item #)



8. GENERAL HEALTH AND SAFETY

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
8.1	ACCESS TO UNIT Can the unit be entered without having to go through another unit?			
8.2	EXITS Is there an acceptable fire exit from this building that is not blocked?			
8.3	EVIDENCE OF INFESTATION Is the unit free from rats or severe infestation by mice or vermin?			
8.4	GARBAGE AND DEBRIS Is the unit free from heavy accumulation of garbage or debris inside and outside?			
8.5	REFUSE DISPOSAL Are there adequate covered facilities for temporary storage and disposal of food wastes, and are they approved by a local agency?			
8.6	INTERIOR STAIRS AND COMMON HALLS Are interior stairs and common halls free from hazards to the occupant because of loose, broken or missing steps on stairways, absent or insecure railings; inadequate lighting, or other hazards?			
8.7	OTHER INTERIOR HAZARDS Is the interior of the unit free from any other hazards not specifically identified previously?			
8.8	ELEVATORS Where local practice requires, do all elevators have a current inspection certificate? If local practice does not require this, are they working and safe?			
8.9	INTERIOR AIR QUALITY Is the unit free from abnormally high levels of air pollution from vehicular exhaust, sewer gas, fuel gas, dust, or other pollutants?			
8.10	SITE AND NEIGHBORHOOD CONDITIONS Are the site and immediate neighborhood free from conditions, which would seriously and continuously endanger the health or safety of the residents?			



8. GENERAL HEALTH AND SAFETY

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
8.11	LEAD PAINT: OWNER CERTIFICATION If the owner of the unit is required to treat or cover any interior or exterior surfaces, has the certification of compliance been obtained? If the owner was not required to treat surfaces, check "Not Applicable."			
8.12	OTHER			
8.13	OTHER			

Notes: (Give Item #)



Inspecting for Lead-based Paint Hazards

Incorporated into the preceding Housing Habitability Inspection forms are questions regarding the presence of lead-based paint, which can be extremely harmful when ingested by young children. The attached summary of HUD's Lead-Based Paint Initiative, which took effect on September 1, 2000, explains the initiative. The attached regulations from 24 CFR.35, section M detail its relevance to the Shelter Plus Care program. **When doing an inspection for compliance with HUD's Housing Habitability Standards for an apartment until built before January 1, 1978, which will house families, the agency is required to do a visual inspection for cracked or peeling paint. All staff who do such an inspection are required to take a short (less than one hour) Internet course on the HUD website at the following website:**
<http://www.hud.gov/offices/lead/training/visualassessment/h00101a.htm>

An overview of the content of this Internet course is included in this attachment.



HUD Sets New Requirements to Prevent Childhood Lead Poisoning in Housing Assisted or Being Sold by the Federal Government

SUMMARY

The U.S. Department of Housing and Urban Development (HUD) has issued a new regulation to protect young children from lead-based paint hazards in housing that is financially assisted by the federal government or being sold by the government. The regulation, “Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance,” was published in the Federal Register on September 15, 1999. The hazard reduction requirements in this regulation are based on scientific research and the practical experience of cities, states, and others who have been controlling lead-based paint hazards in low-income housing through HUD assistance. The requirements apply to housing built before 1978, the year lead-based paint was banned nationwide for consumer use.

The new regulation puts all of the Department’s lead-based paint regulations in one part of the Code of Federal Regulations, making it much easier to find HUD policy on the subject. The new requirements will take effect on September 15, 2000, one year after publication, to allow time for housing owners and state and local agencies to prepare for compliance. HUD estimates that about 2.8 million housing units will be affected by the regulation during its first five years.

LEAD POISONING PREVENTION

Lead poisoning can cause permanent damage to the brain and many other organs, and can result in reduced intelligence and behavioral problems. Lead can also harm the fetus. More than 800,000 children younger than 6 years old living in the United States have lead in their blood that is above the level of concern set by the Centers for Disease Control and Prevention (CDC). A large portion of these children are in families of low income and are living in old homes with heavy concentrations of lead-based paint. The most common sources of childhood exposure to lead are deteriorated lead-based paint and lead-contaminated dust and soil in the residential environment.

HUD estimates that the regulation will protect more than two million children from exposure to lead during its first five years. The estimated net benefits (that is, benefits minus costs) from the first five years are \$2 billion, mostly from increased lifetime earnings but also including reductions in medical and special education costs. Additional benefits that have not been estimated in dollar terms include reduced family time, and anxiety involved in caring for lead-poisoned children, increased stature and hearing ability, reduced hypertension in later life, and reduced juvenile delinquency and crime.

LEGISLATIVE BACKGROUND

The new regulation is being issued under sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, which is Title X (“ten”) of the Housing and Community Development Act of 1992. Sections 1012 and 1013 of Title X amended the Lead-Based Paint Poisoning Prevention Act of 1971, which is the basic law covering lead-based paint in federally associated housing. The new regulation appears within title 24 of the Code of Federal Regulations as part 35 (24 CFR 35).

WHAT ARE THE REQUIREMENTS?

The regulation sets hazard reduction requirements that give much greater emphasis than existing regulations to reducing lead in house dust. Scientific research has found that exposure to lead in dust is the most common way young children become lead poisoned. Therefore the new regulation requires dust testing after paint is disturbed to make sure the home is lead-safe. Specific requirements depend on whether the housing is being disposed of or assisted by the federal government, and also on the type and amount of financial assistance, the age of the structure, and whether the dwelling is rental or owner-occupied.



A summary of the hazard reduction requirements for the various types of housing programs is attached to the Questions and Answers issued in association with this regulation. More detailed information is available in training and guidance material, in the regulation itself, and in the Department's explanation of the regulation, published in the Federal Register.

TYPES OF HOUSING COVERED

- Federally-owned housing being sold
- Housing receiving a federal subsidy that is associated with the property, rather than with the occupants (project-based assistance)
- Public housing
- Housing occupied by a family receiving a tenant-based subsidy (such as a voucher or certificate)
- Multifamily housing for which mortgage insurance is being sought
- Housing receiving federal assistance for rehabilitation, reducing homelessness, and other special needs

TYPES OF HOUSING NOT COVERED

- Housing built since January 1, 1978, when lead paint was banned for residential use.
- Housing exclusively for the elderly or people with disabilities, unless a child under age 6 is expected to reside there
- Zero-bedroom dwellings, including efficiency apartments, single-room occupancy housing, dormitories, or military barracks
- Property that has been found to be free of lead-based paint by a certified lead-based paint inspector
- Property where all lead-based paint has been removed
- Unoccupied housing that will remain vacant until it is demolished
- Non-residential property
- Any rehabilitation or housing improvement that does not disturb a painted surface

FOR MORE INFORMATION

If you want copies of the regulation or have general questions, you can call the National Lead Information Center at (800) 424-LEAD, or TDD (800) 526-5456 for the hearing impaired. You can also download the regulation and other educational materials at www.hud.gov/lea. For further information, you may call HUD at (202) 755-1785, ext. 104, or e-mail HUD at lead_regulations@hud.gov.



Subpart M—Tenant-Based Rental Assistance

SOURCE: 64 FR 50216, Sept. 15, 1999, unless otherwise noted.

§ 35.1200 Purpose and applicability.

(a) *Purpose.* The purpose of this subpart M is to establish procedures to eliminate as far as practicable lead-based paint hazards in housing occupied by families receiving tenant-based assistance. Such assistance includes tenant-based rental assistance under the Section 8 certificate program, the Section 8 voucher program, the HOME program, the Shelter Plus Care program, the Housing Opportunities for Persons With AIDS (HOPWA) program, and the Indian Housing Block Grant program. *Tenant-based rental assistance* means rental assistance that is not attached to the structure.

(b) *Applicability.* (1) This subpart applies only to dwelling units occupied or to be occupied by families or households that have one or more children of less than 6 years of age, common areas servicing such dwelling units, and exterior painted surfaces associated with such dwelling units or common areas. Common areas servicing a dwelling unit include those areas through which residents pass to gain access to the unit and other areas frequented by resident children of less than 6 years of age, including on-site play areas and child care facilities.

(2) For the purposes of the Section 8 tenant-based certificate program and the Section 8 voucher program: (i) The requirements of this subpart are applicable where an initial or periodic inspection occurs on or after September 15, 2000; and (ii) The PHA shall be the designated party.

(3) For the purposes of formula grants awarded under the Housing Opportunities for Persons with AIDS Program (HOPWA) (42 U.S.C. 12901 *et seq.*): (i) The requirements of this subpart shall apply to activities for which program funds are first obligated on or after September 15, 2000; and (ii) The grantee shall be the designated party.

(4) For the purposes of competitively awarded grants under the HOPWA Program and the Shelter Plus Care program (42 U.S.C. 11402–11407) tenant-based rental assistance component: (i) The requirements of this subpart shall apply to grants awarded pursuant to Notices of Funding Availability published on or after September 15, 2000; and (ii) The grantee shall be the designated party.

(5) For the purposes of the HOME program: (i) The requirements of this subpart shall not apply to funds which are committed in accordance with § 92.2 of this title before September 15, 2000; and (ii) The participating jurisdiction shall be the designated party.

(6) For the purposes of the Indian Housing Block Grant program: (i) The requirements of this subpart shall apply to activities for which funds are first obligated on or after September 15, 2000; and (ii) The IHBG recipient shall be the designated party.

(7) The housing agency, grantee, participating jurisdiction, or IHBG recipient may assign to a subrecipient or other entity the responsibilities of the designated party in this subpart.

[64 FR 50216, Sept. 15, 1999; 65 FR 3387, Jan. 21, 2000]

§ 35.1205 Definitions and other general requirements.

Definitions and other general requirements that apply to this subpart are found in subpart B of this part.

§ 35.1210 Notices and pamphlet.

(a) *Notice.* In cases where evaluation or paint stabilization is undertaken, the owner shall provide a notice to residents in accordance with § 35.125. A visual assessment is not an evaluation.

(b) *Lead hazard information pamphlet.* The owner shall provide the lead hazard information pamphlet in accordance with § 35.130.



§ 35.1215 Activities at initial and periodic inspection.

(a) (1) During the initial and periodic inspections, an inspector acting on behalf of the designated party and trained in visual assessment for deteriorated paint surfaces in accordance with procedures established by HUD shall conduct a visual assessment of all painted surfaces in order to identify any deteriorated paint.

(2) For tenant-based rental assistance provided under the HOME program, visual assessment shall be conducted as part of the initial and periodic inspections required under § 92.209(i) of this title.

(b) The owner shall stabilize each deteriorated paint surface in accordance with § 35.1330(a) and (b) before commencement of assisted occupancy. If assisted occupancy has commenced prior to a periodic inspection, such paint stabilization must be completed within 30 days of notification of the owner of the results of the visual assessment. Paint stabilization is considered complete when clearance is achieved in accordance with § 35.1340.

(c) The owner shall provide a notice to occupants in accordance with § 35.125(b)(1) and (c) describing the results of the clearance examination.

§ 35.1220 Ongoing lead-based paint maintenance activities.

The owner shall incorporate ongoing lead-based paint maintenance activities into regular building operations in accordance with § 35.1355(a).

§ 35.1225 Child with an environmental intervention blood lead level.

(a) Within 15 days after being notified by a public health department or other medical health care provider that a child of less than 6 years of age living in an assisted dwelling unit has been identified as having an environmental intervention blood lead level, the designated party shall complete a risk assessment of the dwelling unit in which the child lived at the time the blood was last sampled and of the common areas servicing the dwelling unit. The risk assessment shall be conducted in accordance with § 35.1320(b). When the risk assessment is complete, the designated party shall immediately provide the report of the risk assessment to the owner of the dwelling unit. If the child identified as having an environmental intervention blood lead level is no longer living in the unit when the designated party receives notification from the public health department or other medical health care provider, but another household receiving tenant-based rental assistance is living in the unit or is planning to live there, the requirements of this section apply just as they do if the child still lives in the unit. If a public health department has already conducted an evaluation of the dwelling unit, or the designated party conducted a risk assessment of the unit and common areas servicing the unit between the date the child's blood was last sampled and the date when the designated party received the notification of the environmental intervention blood lead level, the requirements of this paragraph shall not apply.

(b) *Verification.* After receiving information from a source other than a public health department or other medical health care provider that a child of less than 6 years of age living in an assisted dwelling unit may have an environmental intervention blood lead level, the designated party shall immediately verify the information with a public health department or other medical health care provider. If that department or provider verifies that the child has an environmental intervention blood lead level, such verification shall constitute notification to the designated party as provided in paragraph (a) of this section, and the designated party shall take the action required in paragraphs (a) and (c) of this section.

(c) *Hazard reduction.* Within 30 days after receiving the risk assessment report from the designated party or the evaluation from the public health department, the owner shall complete the reduction of identified lead-based paint hazards in accordance with § 35.1325 or § 35.1330. Hazard reduction is considered complete when clearance is achieved in accordance with § 35.1340 and the clearance report states that all lead-based paint hazards identified in the risk assessment have been treated with interim controls or abatement or when the public health department certifies that the lead-based paint hazard reduction is complete. If the owner does not complete the hazard reduction required by this section, the dwelling unit is in violation of Housing Quality Standards (HQS).



(d) *Notice of evaluation and hazard reduction.* The owner shall notify building residents of any evaluation or hazard reduction activities in accordance with § 35.125.

(e) *Reporting requirement.* The designated party shall report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 working days of being so notified by any other medical health care professional.

(f) *Data collection and record keeping responsibilities.* At least quarterly, the designated party shall attempt to obtain from the public health department(s) with area(s) of jurisdiction similar to that of the designated party the names and/or addresses of children of less than 6 years of age with an identified environmental intervention blood lead level. At least quarterly, the designated party shall also report an updated list of the addresses of units receiving assistance under a tenant-based rental assistance program to the same public health department(s), except that the report(s) to the public health department(s) is not required if the health department states that it does not wish to receive such report. If it obtains names and addresses of environmental intervention blood lead level children from the public health department(s), the designated party shall match information on cases of environmental intervention blood lead levels with the names and addresses of families receiving tenant-based rental assistance, unless the public health department performs such a matching procedure. If a match occurs, the designated party shall carry out the requirements of this section.



WHEN AN APARTMENT FAILS INSPECTION

(This includes apartments that fail annual, special or quality control inspections)

Owners are required to correct serious violations found by the Inspector within 30 days after the inspection. In order to encourage timely repairs of serious Housing Quality Standards (HQS) violations without suspension of rent subsidy payments to owners, borough offices produce a printed *NE-1 Notice* to owners, using standardized HQS references, on the next working day following the inspection. Owners should receive it within 3-5 days after the inspection. Owners should thereby have a realistic opportunity to complete repairs in time to avoid suspension.

As permitted by the **Office of Alcoholism and Substance Abuse Services (OASAS)**, the owner's repairs can be verified by either of two methods: 1) Reinspection or 2) the owner and the tenant certifies to us that the violations listed in the NE-1 have been corrected. The NE-1 contains a certification page, which can be signed by the owner and the tenant and returned to us, or both can sign work orders. The certification or work order can be either faxed or mailed.

If such a certification is received within **26** days after the inspection, it will suffice as evidence that the apartment meets HQS and the owner's subsidy will not be suspended. If the tenant certification is received after suspension, it will suffice for reinstatement of subsidy payments. This provision is designed to encourage owners to promptly complete repairs with the tenant's involvement.

For owners preferring reinspection, the NE-1 will also give the owner advance notice that reinspection is being pre-scheduled for the **25th** day following the inspection. If we receive notice from the owner that repairs are completed, but not through a jointly signed certification, within **20** days after the inspection, the reinspection appointment for the 25th day will be confirmed and carried out. Notices from the landlord will be accepted by fax and mail.

If the borough office does not receive notice from the owner regarding completion of repairs within **20** days after inspection, staff shall cancel the pre-scheduled reinspection for the **25th** day. A cancellation notice will be sent to the tenant. Reinspection as pre-scheduled can proceed when the owner's notice is received 21-25 days after inspection if the slot is still available. If the apartment passes reinspection before the 26th day, no suspension will occur.

If neither reinspection nor tenant certification has been successfully concluded or pending as of **26** days after inspection, (including cases where an apartment fails a reinspection and immediate follow-up is not possible), then NYCHA staff shall take the suspension action on these apartments no later than the 30th day. Payment will stop on the first day of the first month for which payment has not already been generated.

Once an apartment failing inspection has been suspended (regardless of the date when payments stop), tenant certifications will still be acceptable. Reinspections shall be manually scheduled at the discretion of staff, but no later than 14 days from our receipt of the owner's notice that repairs are completed. Staff shall make priority effort to schedule such reinspections as soon as feasible within 14 days.

If the apartment passes reinspection or a tenant certification is received, then the reinstatement process for subsidy payments will commence. If the apartment fails reinspection, suspension continues until another reinspection is completed.



Reinstatement payments will resume retroactive to the date of the reinspection or certification unless the owner reports that the repairs are done earlier. In that case, payment will be retroactive to that earlier date. However, the owner must document all repairs completed more than 30 days before the receipt of the tenant certification or the reinspection date.



Attachment 11:
Sample Lease Agreement



Sample Lease Agreement

Made this _____ day of _____, 20__, between _____ hereinafter called "Landlord", and **(Providers Name)** a domestic Not-for-Profit Corporation with its principal office located at **(Providers Address)**, hereinafter called "Tenant".

WHEREAS, the Landlord is the owner of the premises located at _____

WITNESSETH: The parties hereto, for the consideration hereinafter mentioned, covenant, and agree as follows:

1. The Landlord hereby leases to the Tenant the following described Premises: _____, Apartment # ____ in **(City)**, New York ("Premises").
2. **TO HAVE AND TO HOLD** the said Premises with the appurtenances for the term of one_(1) year beginning with _____ and ending with _____, to be used by the Tenant as a residential dwelling.
3. The Tenant shall pay rent to the Landlord for the Premises at the rate of \$ _____ per year, payable to _____ at _____ in equal monthly installments of \$ _____.
4. The Landlord acknowledges that the Tenant is a **Sponsor** participating in the Shelter **Plus Care Program**, a rental assistance program that is administered by HUD and the State of New York. The occupant of this premise shall be a participant in the program, hereinafter called "Participant".
5. Tenant shall have the right to place, replace or remove the participant of the Shelter Plus Care Program at the leased Premises anytime during the term of this lease. The Tenant shall notify the Landlord of any change in occupancy of the leased Premises. Notwithstanding such occupancy, Tenant shall at all times remain fully responsible for the performance of all terms, covenants, conditions and provisions of this lease on the part of the Tenant to be performed and the payment of rent to the Landlord as herein provided.
6. Any holdover by the Tenant after the expiration of the term stated herein or of any extension of such term shall be construed to be a tenancy from month to month and shall otherwise be on the terms and conditions specified herein.
7. The Landlord agrees that if it fails to pay any interest cost or other charges upon any mortgage or other lien affecting the Premises, including taxes, service charges and insurance for which the Landlord is liable, when any of the same become due, then the Tenant may, after the continuance of any such failure or default for ten (10) days after notice in writing thereof is given by the Tenant to the Landlord, pay such costs or other charges on behalf of and at the expense of the Landlord, including, but not limited to the payment of any fees, penalties, and other related charges and expenses. The Landlord agrees to reimburse the Tenant for all sums so expended or the Tenant shall be entitled to deduct all or any portion of sums so expended from any rent due or that may become due and payable under this lease.
8. With respect to the condition and maintenance of the Premises, and/or with respect to the ability of the Tenant to continue its uninterrupted use of said Premises for the purposes intended, the Landlord shall,



- a. take good care of the Premises, fixtures, and appurtenances and make all repairs necessary to preserve same in good order and condition at its own cost and expense. In exercising the provisions of this paragraph, it is understood and agreed that the Landlord shall be responsible for all major structural repairs. Structural repairs are defined to include: the roof, stairwells, foundation, major plumbing, heating, electrical service, well, septic systems, and windows, but excluding the replacement of broken window glass;
 - b. comply with all laws, rules, orders, ordinances and regulations at any time issued or in force, applicable to the Premises, of the borough, city, county, or other municipality, State or Federal governments, and each and every department, bureau and official thereof, and of any board of fire underwriters having jurisdiction over the premises.
9. Pursuant to the terms of this lease and to the extent permissible by Federal and State laws and regulations protecting the identity of alcoholism and substance abuse program participants, the right of the Landlord to make periodic inspections of the Premises will remain unimpaired and, should inspection disclose damage to the premises caused by the participant of Tenant or the negligence of Tenant's employees, then, in that event, the Landlord can, on written demand to the Tenant, require that such damage be corrected.
10. Landlord will give to the Tenant, in writing, the names, addresses and phone numbers of the Landlord's authorized repairers in the event the Landlord is not available.
11. Tenant shall have the right to sublet the leased Premises upon filing a fully executed copy of the Sublease with the Landlord. The Sublease shall provide that the rent payable by the Sublessee to the Tenant there under shall be paid directly by the Sublessee to the Landlord, as and when the same is due and payable under said Sublease, and when received by the Landlord shall be applied by the Landlord against the rent due by the Tenant hereunder. Notwithstanding such Sublease, Tenant shall at all times remain fully responsible for the performance of all terms, covenants, conditions and provisions of this lease on the part of the Tenant to be performed and the payment of rent to the Landlord as herein provided.
12. Tenant shall not assign this lease to the participant except with consent from the landlord; such consent shall not be unreasonably withheld.
13. In the event of a default by the Tenant under the terms and conditions of this agreement, Landlord shall give written notice by registered mail to the Tenant of the existence of default and the specific nature thereof, and shall otherwise comply with the provisions of this paragraph, prior to the commencement of any action or proceeding based upon such default or prior to the issuance of any formal notice of default under, or termination of, this agreement by the Landlord. Tenant shall have a thirty (30) day period, after receipt of such notice, to cure the default or in the case of a default that cannot be cured within thirty (30) day period, to commence the curing of such default during such 30 day period of time and to complete the same within a reasonable period of time thereafter. Upon Tenant's failure to cure said default, Landlord agrees to give to the Commissioner of the New York State Office of Mental Health, 44 Holland Avenue, Albany, New York, 12229, a separate written notice (in addition to the foregoing notice afforded Tenant), that a specified default on the part of the Tenant remains unremedied. The Commissioner shall have the right to remedy in the Commissioner's sole discretion such default on behalf of the Tenant within sixty (60) days after receipt of such notice. Upon the expiration of such 60 day period of time, the Landlord shall then have the right to proceed to issue any formal notice of default or termination under this agreement or to commence any action or proceeding against the Tenant based upon such default.
14. In the event the State of New York discontinues the funding of the program necessary to continue to operate said facility or for any reason withdraws its certificate of approval for said



facility, this lease will terminate sixty (60) days after written receipt of such notice from Tenant, without further liability to either party, except that this lease shall not be deemed terminated and Tenant shall remain liable therefore if said revocation of approval is caused by the voluntary withdrawal from the program by Tenant or as a result of any fault of Tenant in the operation of said program, as determined by the New York State Office of Alcoholism and Substance Abuse Services.

15. The Tenant shall permit the Landlord, during the three (3) months next prior to the expiration of the term, to place the usual notices to "To Let" upon the exterior of the Premises.
16. If the Premises or any part thereof, or any appurtenances thereto, are destroyed or so injured, by fire or the elements or any other cause, as to render the Premises untenable or unfit for occupancy, in whole or in part for the Tenant's uses, the Tenant, in its sole discretion, may quit and surrender the entire demised Premises without farther obligation.
17. The Landlord covenants with the Tenant that Tenant, on paying the rent reserved herein, shall and may peacefully and quietly have and enjoy the said Premises.
18. The Tenant shall, at the end of the term, quit and surrender the Premises in as good order and condition as when received, natural wear and tear and damage by the elements, including fire excepted.
19. Any and all articles of personal property, including, without limitation, business and trade fixtures, machinery, equipment, cabinet work, furniture, movable partitions, carpeting and water coolers, drapes, blinds, owned or installed by the Tenant at its sole expense, are and shall remain the property of the Tenant and may be removed by it at any time. The Tenant shall not be required to remove such articles at the end of the lease term or any renewal or extension thereof unless it so elects, providing that if such fixtures, machinery, equipment, cabinet work, furniture, movable partitions, carpeting and water coolers are removed, the cost of repairing any damage to the building arising from such removal shall be paid by the Tenant.
20. Any notice by the Tenant to the Landlord shall be deemed to be given if mailed by registered or certified mail, addressed to the Landlord at the address given above, and any notice by the Landlord to the Tenant shall be deemed to be given if mailed by registered or certified mail, addressed to the Tenant at the address given above.
21. In case the leased Premises or the building of which same is a part shall be sold, conveyed, transferred, assigned, leased or sublet, or if the Landlord shall sell, convey, transfer or assign this lease or rents due under this lease, or if for any reason there shall be a change in the manner of which the rental reserved hereunder shall be paid to the Landlord, proper written notice of such change shall be given by the Landlord to the Tenant.
22. In the event the demised premises are substantially condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, this lease shall cease and terminate from the date of title vesting in such proceeding and Tenant shall not be liable for further rent. Tenant shall be entitled to an award for the fair market value of any alterations and improvements made by or paid for by Tenant and Tenant shall be entitled to an award for the value of the unexpired term of this lease.
23. The cost of electricity and gas (natural and propane) is to be paid by Landlord/Tenant.
The cost of fuel for heat and/or hot water is to be paid by Landlord/Tenant.
The cost of snow removal and/or lawn care is to be paid by Landlord/Tenant.
The cost of sidewalk and parking lot maintenance is to be paid by Landlord/Tenant.



IN WITNESS WHEREOF, the parties hereto have executed this lease on the dates appearing next to their signatures below.

Date: _____

Landlord Name

Landlord Signature

Date: _____

Tenant Name

Sponsor/ Director Signature

ACKNOWLEDGEMENT BY LANDLORD

(STATE OF NEW YORK)
COUNTY OF _____)

SS.: INDIVIDUAL

On this ___ day of _____, 20___, before me personally came _____, to me known and known to me to be the person described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.

Notary Public

ACKNOWLEDGEMENT BY TENANT

(STATE OF NEW YORK)
COUNTY OF _____)

SS.: INDIVIDUAL

On this ___ day of _____, 20___, before me personally came _____, to me known and known to me to be the person described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.

Notary Public



Attachment 12:
Monthly Vouchering Instructions and Form



Shelter Plus Care Claiming Instructions

The following procedures must be followed by both OASAS and OMH in submitting Shelter Plus Care (SPC) expenditure claims. Please photocopy a sufficient number for your use.

Section I. Back Up Documentation

The following back-up documentation must be kept in your files for review during site visits.

- 1. Leases:** A lease for each tenant is required that indicates the client name, apartment address, total amount of rent due to the landlord, tenant share of rent, date of lease period. **A sublease between your agency and the tenant is not sufficient** because it does not indicate the total amount of rent charged by the landlord each month. Leases should be for the time period of the grant. If a lease expires during the grant period, it is your responsibility to provide the updated lease(s) as well.
- 2. Tenant Rent Calculation Worksheet:** Each tenant in your program requires a completed tenant rent calculation worksheet in order to arrive at the tenant's portion of the rent. The calculation worksheet should be done annually.
- 3. Rent Reasonableness Study:** **All projects are required to have a rent reasonableness study on file. You will need to submit a completed Rent Reasonableness Study to HUD** if the cost of the rent and/or rent and utilities exceeds the FMR.

Section II. Monthly Voucher Claims

Shelter Plus Care claims are to be submitted monthly, as quickly as possible after the end of each month. Claims submitted later than 60 days after the end of a month risk non-payment.

Failure to fully complete each of the claim forms will result in your claims being returned to you for completion and resubmission and will delay payment.

- 1. State Aid Voucher (for OASAS Sponsored Programs ONLY):** If you are submitting more than one month's claim, this form can be cumulative. Otherwise it should be completed monthly. You must enter the Payee ID, Payee Name and Address, the Description of Charges (the period of the reimbursement and contract number is sufficient), the amount of your claim, and the Payee Certification.
- 2. HUD Request Voucher for Grant Payment:** This form is to be completed monthly and you must complete Item #'s 3, 4, 7, 7A, 8, 9, 10, 11, 13 and 14. **FOR OMH CONTRACTORS,** please include the OMH contract # at the top of the form.

For Box #9, you must fill in the total number of Rental Units, the total number of Tenants Assisted, and the breakdown by type for each. The total number of Units and/or Tenants should equal the sum of the breakdown by type.

For Box #10, OMH and OASAS SPC grants are either Sponsor based (SRA) or Tenant based (TRA) and should be claimed accordingly. The Award Agreement that is part of your SPC contract with OASAS or OMH indicates the basis of your grant.

- 3. Monthly Statement of Grant Expenses:** This form is to be completed monthly and represents an accounting of your expenses against the grant and your contract budget (Appendix B). **The form contains five (5) sections, each of which must be completed.**



- A. You must complete the Identification section of the form including the Sponsor Provider Name, SPC Grant #, OMH/OASAS Contract #, Contract Period, Report Month and the Total # of Apartments supported by the grant.
- B. You must complete the Apartment/Rental section of the form as follows:
- Apartment Address – apartment # and address of each apartment supported by the grant
 - Unit Type – Single Room Only, 1 Bedroom, 2 Bedroom, 3 Bedroom and 4 Bedroom.
 - Base Rent – represents the amount of the actual rent or the Current Fair Market Rent (whichever is lower) for each apartment.
 - Calculated Tenant Share – represents the amount calculated as the tenant share (regardless of what was fully paid to you by the tenant that month) during the Report Month
 - U.S. Dept. HUD SPC Subsidy – represents the portion of the rent reimbursable by HUD and the contract
 - Basis for Calculation of Tenant Share – represents the basis for the calculation of the tenant share; was it based on Public Assistance, or the 30% of income rule
 - Date Last Recertified – represents the date that the Tenant Share was last calculated; must be recalculated at least annually.
- C. You must complete the Administration section of the form.
 SPC grants allow that up to 8% of the grant amount may be used to pay the cost of administering the housing assistance (however, HUD allows a grantee to claim up to 8% of the voucher amount each month only). Recipients may contract with an entity (approved by HUD) to administer the housing assistance. Eligible administrative activities include: 1) processing rental payment to landlords, 2) examining participant income and family composition, 3) providing housing information and assistance, 4) inspecting units for compliance with housing quality standards, and 5) receiving into the program new participants. This administrative allowance does not include the cost of administering the supportive services or the grants (e.g., costs of preparing the application, report or audits required by HUD).

Reimbursement of Administration costs must be for actual costs incurred and broken out on the form by the five eligible administrative activities.

- D. You must complete the Current Fair Market Rent section of the form – represents the Current Fair Market Rent for each apartment type as issued by HUD. Please refer to the following HUD Website: <http://www.huduser.org> – click into Topics, then Fair Market Rents.
- E. You must complete the OASAS/OMH CONTRACT BUDGET & CLAIMED EXPENSES AND REVENUE section of the form.
- a. The first column is the Contract Budget as identified in the Appendix B which is part of your SPC contract with OMH/OASAS.
 - b. The second column represents your claimed expenses for the current Report Month.
 - c. The third column represents the expenses claimed to date against the contract budget and includes the current Report Month.

Lines of expense:

- Rent – the amount of rent claimed in the current month is the total of the U.S. Dept. HUD SPC Subsidy column.
- Administration – the amount of administration claimed in the current month is the total of the Administration section of the form.
- Subtotal – represents the total of the Rent and Administration lines
- Less Revenue – if Revenue is received applicable to this program, it should be deducted on this line. The Tenant Share of the Rent is not to be considered Revenue.



- Total – equals the Subtotal less Revenue. This amount will match the amount claimed on the State Aid Voucher as well as the Voucher Total on the HUD Request Voucher for Grant Payment.

Monthly reports must be submitted timely to ensure a steady flow of SPC funds to the provider and to enable OMH and OASAS to monitor the federal grant program and participating providers. Please call OASAS at the Bureau of Financial Management at 518/485-2176 or OMH at 518/473-7885 if you have questions about your Shelter Plus Care contract or the claiming process.

HUD has provided the following website that can be used as a resource for your Shelter Plus Care Grant <http://www.hud.gov/offices/cpd/homeless/library/spc/resourcemanual/>



**OASAS
Shelter Plus Care Grant Program
Monthly Statement of Grant Expenses**

Sponsor Provider _____
 SPC Grant # _____
 OASAS or OMH Contract # _____ Contract Period _____
 Report Month _____
 Total # of Apartments Supported by Grant _____

Apartment Address	Unit Type (SR0, 1BR, 2BR...)	Base Rent	*1 Calculated Tenant	*2 HUD Shelter Plus Care Subsidy	*3 Basis of Calculation of Tenant Share (30% or PA)	Date Last Certified
1	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
2	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
3	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
4	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
5	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
6	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
7	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
8	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
9	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
10	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
11	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
12	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
13	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
14	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
15	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
16	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
17	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
18	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
19	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
20	\$ _____	- \$ _____	= \$ _____	= \$ _____	_____	_____
<u>Total Carried Over from Other Pages /4</u>		- \$ _____	= \$ _____	= \$ _____	_____	_____
TOTAL		\$ _____	\$ _____	\$ _____	*2	

Administration

(Document Administration Claimed - Allowable Use & Amount)

Processing Rental Payments to Landlords	\$ _____
Examining Participant Income & Family Composition	\$ _____
Providing Housing Information & Assistance	\$ _____
Inspecting Units for Compliance w/Housing Quality Standards	\$ _____
Receiving New Participants into the Program	\$ _____
Total	\$ _____

Current Fair Market Rent

Studio	\$ _____
1 Bedroom	\$ _____
2 Bedroom	\$ _____
3 Bedroom	\$ _____
4 Bedroom	\$ _____

Administration - Up to 8% of the grant amount may be used to pay the cost of administering the housing assistance. Recipients may contract with an entity (approved by HUD) to administer the housing assistance. Eligible administrative activities include processing rental payments to landlords, examining participant income and family composition, providing housing information and assistance, inspecting units for compliance with housing quality standards, and receiving into the program new participants. This administrative allowance does not include the cost of administering the supportive services or the grants (e.g., costs of preparing the application, reports or audits required by HUD).



OASAS/OMH CONTRACT BUDGET & CLAIMED EXPENSES AND REVENUE

Contract Budget				Claims
(Appendix B)		Current Month		Year to Date
Rent	\$ _____	*2	\$ _____	\$ _____
Administration	\$ _____	*5	\$ _____	\$ _____
Subtotal	\$ _____		\$ _____	\$ _____
Less Revenue	\$ _____		\$ _____	\$ _____
Total	\$ _____	*6	\$ _____	\$ _____

Footnotes:

- *1 Calculated Tenant Share represents the amount calculated for receipt, not the actual received amount (if different).
- *2 Total U.S. Dept HUD Shelter Plus Care Subsidy must equal amount Claimed in the Current Month for Rent.
- *3 30% of Income or Public Assistance (PA)
- *4 If # of Apts. exceeds 20, please attach additional sheets.
- *5 Amount Claimed in the Current Month for Administration may not exceed the Total Amount of Administration Documented.
- *6 State Aid Voucher to be completed for the Total Claimed in the Current Month.



Attachment 13:
Shelter Plus Care Regulations
(24 CFR Part 582)



Shelter Plus Care Regulations (24 CFR Part 582)

TITLE 24--HOUSING AND URBAN DEVELOPMENT PART 582--SHELTER PLUS CARE

Subpart A -- General

Sec. 582.1 Purpose and scope.

(a) **General.** The Shelter Plus Care program (S+C) is authorized by title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act (the McKinney Act) (42 U.S.C. 11403-11407b). S+C is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities (primarily those who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have acquired immunodeficiency syndrome (AIDS) and related diseases) and their families. The program provides grants to be used for rental assistance for permanent housing for homeless persons with disabilities. Rental assistance grants must be matched in the aggregate by supportive services that are equal in value to the amount of rental assistance and appropriate to the needs of the population to be served. Recipients are chosen on a competitive basis nationwide.

(b) **Components.** Rental assistance is provided through four components described in Sec. 582.100. Applicants may apply for assistance under any one of the four components, or a combination.

Sec. 582.5 Definitions.

The terms Fair Market Rent (FMR), HUD, Public Housing Agency (PHA), Indian Housing Authority (IHA), and Secretary are defined in 24 CFR part 5. As used in this part:

Acquired immunodeficiency syndrome (AIDS) and related diseases has the meaning given in section 853 of the AIDS Housing Opportunity Act (42 U.S.C. 12902).

Applicant has the meaning given in section 462 of the McKinney Act (42 U.S.C. 11403g).

Eligible person means a homeless person with disabilities (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have AIDS and related diseases) and, if also homeless, the family of such a person. To be eligible for assistance, persons must be very low income, except that low-income individuals may be assisted under the SRO component in accordance with 24 CFR 813.105(b).

Homeless or homeless individual has the meaning given in section 103 of the McKinney Act (42 U.S.C. 11302).

Indian tribe has the meaning given in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

Low-income means an annual income not in excess of 80 percent of the median income for the area, as determined by HUD. HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low family incomes.

Nonprofit organization has the meaning given in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704). The term nonprofit organization also includes a community mental health center established as a public nonprofit organization.

Participant means an eligible person who has been selected to participate in S+C.

Person with disabilities means a household composed of one or more persons at least one of whom is an adult who has a disability.

(1) A person shall be considered to have a disability if such person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions.



(2) A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that—

(i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;

(ii) Is manifested before the person attains age 22;

(iii) Is likely to continue indefinitely;

(iv) Results in substantial functional limitations in three or more of the following areas of major life activity:

(A) Self-care;

(B) Receptive and expressive language;

(C) Learning;

(D) Mobility;

(E) Self-direction;

(F) Capacity for independent living; and

(G) Economic self-sufficiency; and

(v) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

(3) Notwithstanding the preceding provisions of this definition, the term person with disabilities includes, except in the case of the SRO component, two or more persons with disabilities living together, one or more such persons living with another person who is determined to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this definition who were living, in a unit assisted under this part, with the deceased member of the household at the time of his or her death. (In any event, with respect to the surviving member or members of a household, the right to rental assistance under this part will terminate at the end of the grant period under which the deceased member was a participant.)

Recipient means an applicant approved to receive a S+C grant. Seriously mentally ill has the meaning given in section 462 of the McKinney Act (42 U.S.C. 11403g).

Single room occupancy (SRO) housing means a unit for occupancy by one person, which need not but may contain food preparation or sanitary facilities, or both.

Sponsor means a nonprofit organization which owns or leases dwelling units and has contracts with a recipient to make such units available to eligible homeless persons and receives rental assistance payments under the SRA component.

State has the meaning given in section 462 of the McKinney Act (42 U.S.C. 11403g).

Supportive service provider, or service provider, means a person or organization licensed or otherwise qualified to provide supportive services, either for profit or not for profit.

Supportive services means assistance that--

(1) Addresses the special needs of eligible persons; and

(2) Provides appropriate services or assists such persons in obtaining appropriate services, including health care, mental health treatment, alcohol and other substance abuse services, child care services, case management services, counseling, supervision, education, job training, and other services essential for achieving and maintaining independent living. (Inpatient acute hospital care does not qualify as a supportive service.)

Unit of general local government has the meaning given in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

Very low-income means an annual income not in excess of 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

Subpart B -- Assistance Provided

Sec. 582.100 Program component descriptions.

(a) **Tenant-based rental assistance (TRA).** Tenant-based rental assistance provides grants for rental assistance which permit participants to choose housing of an appropriate size in which to reside. Participants retain the rental assistance if they move. Where necessary to facilitate the coordination of supportive services, grant recipients may require participants to live in a specific



area for their entire period of participation or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Recipients may not define the area in a way that violates the Fair Housing Act or the Rehabilitation Act of 1973. The term of the grant between HUD and the grant recipient for TRA is five years.

(b) **Project-based rental assistance (PRA).** Project-based rental assistance provides grants for rental assistance to the owner of an existing structure, where the owner agrees to lease the subsidized units to participants. Participants do not retain rental assistance if they move. Rental subsidies are provided to the owner for a period of either five or ten years. To qualify for ten years of rental subsidies, the owner must complete at least \$3,000 of eligible rehabilitation for each unit (including the unit's prorated share of work to be accomplished on common areas or systems), to make the structure decent, safe and sanitary. This rehabilitation must be completed within 12 months of the grant award.

(c) **Sponsor-based rental assistance (SRA).** Sponsor-based rental assistance provides grants for rental assistance through contracts between the grant recipient and sponsor organizations. A sponsor may be a private, nonprofit organization or a community mental health agency established as a public nonprofit organization. Participants reside in housing owned or leased by the sponsor. The term of the grant between HUD and the grant recipient for SRA is five years.

(d) **Moderate rehabilitation for single room occupancy dwellings (SRO).**

(1) The SRO component provides grants for rental assistance in connection with the moderate rehabilitation of single room occupancy housing units. Resources to initially fund the cost of rehabilitating the dwellings must be obtained from other sources. However, the rental assistance covers operating expenses of the rehabilitated SRO units occupied by homeless persons, including debt service to retire the cost of the moderate rehabilitation over a ten-year period.

(2) SRO housing must be in need of moderate rehabilitation and must meet the requirements of 24 CFR 882.803(a). Costs associated with rehabilitation of common areas may be included in the calculation of the cost for assisted units based on the proportion of the number of units to be assisted under this part to the total number of units.

(3) SRO assistance may also be used for efficiency units selected for rehabilitation under this program, but the gross rent (contract rent plus any utility allowance) for those units will be no higher than for SRO units (i.e., 75 percent of the 0-bedroom Moderate Rehabilitation Fair Market Rent).

(4) The requirements regarding maintenance, operation, and inspections described in 24 CFR 882.806(b)(4) and 882.808(n) must be met.

(5) **Governing regulations.** Except where there is a conflict with any requirement under this part or where specifically provided, the SRO component will be governed by the regulations set forth in 24 CFR part 882, subpart H.

Sec. 582.105 Rental assistance amounts and payments.

(a) **Eligible activity.** S+C grants may be used for providing rental assistance for housing occupied by participants in the program and administrative costs as provided for in paragraph (e) of this section, except that the housing may not be currently receiving Federal funding for rental assistance or operating costs under other HUD programs. Recipients may design a housing program that includes a range of housing types with differing levels of supportive services. Rental assistance may include security deposits on units in an amount up to one month's rent.

(b) **Amount of the grant.** The amount of the grant is based on the number and size of units proposed by the applicant to be assisted over the grant period. The grant amount is calculated by multiplying the number of units proposed times the applicable Fair Market Rent (FMR) of each unit times the term of the grant.

(c) **Payment of grant.** (1) The grant amount will be reserved for rental assistance over the grant period. An applicant's grant request is an estimate of the amount needed for rental assistance. Recipients will make draws from the reserved amount to pay the actual costs of rental assistance for program participants. For TRA, on demonstration of need, up to 25 percent of the total rental assistance awarded may be spent in any one of the five years, or a higher percentage if approved by HUD, where the applicant provides evidence satisfactory to HUD that it is financially committed to providing the housing assistance described in the application for the full five-year period.



(2) A recipient must serve at least as many participants as shown in its application. Where the grant amount reserved for rental assistance over the grant period exceeds the amount that will be needed to pay the actual costs of rental assistance, due to such factor as contract rents being lower than FMRs and participants are being able to pay a portion of the rent, recipients may use the remaining funds for the costs of administering the housing assistance, as described in paragraph (e) of this section, for damage to property, as described in paragraph (f) of this section, for covering the costs of rent increases, or for serving a great number of participants.

(d) **Vacancies.** (1) If a unit assisted under this part is vacated before the expiration of the occupancy agreement described in Sec. 582.315 of this part, the assistance for the unit may continue for a maximum of 30 days from the end of the month in which the unit was vacated, unless occupied by another eligible person. No additional assistance will be paid until the unit is occupied by another eligible person.

(2) As used in this paragraph (d), the term "vacate" does not include brief periods of inpatient care, not to exceed 90 days for each occurrence.

(e) **Administrative costs.** (1) Up to eight percent of the grant amount may be used to pay the costs of administering the housing assistance. Recipients may contract with another entity approved by HUD to administer the housing assistance.

(2) Eligible administrative activities include processing rental payments to landlords, examining participant income and family composition, providing housing information and assistance, inspecting units for compliance with housing quality standards, and receiving into the program new participants. This administrative allowance does not include the cost of administering the supportive services or the grant (e.g., costs of preparing the application, reports or audits required by HUD), which are not eligible activities under a S+C grant.

(f) **Property damage.** Recipients may use grant funds in an amount up to one month's rent to pay for any damage to housing due to the action of a participant.

Sec. 582.110 Matching requirements.

(a) **Matching rental assistance with supportive services.** To qualify for rental assistance grants, an applicant must certify that it will provide or ensure the provision of supportive services, including funding the services itself if the planned resources do not become available for any reason, appropriate to the needs of the population being served and at least equal in value to the aggregate amount of rental assistance funded by HUD. The supportive services may be newly created for the program or already in operation, and may be provided or funded by other Federal, State, local, or private programs. Only services that are provided after the execution of the grant agreement may count toward the match.

(b) **Availability to participants.** Recipients must give reasonable assurances that supportive services will be available to participants for the entire term of the rental assistance. The value of the services provided to a participant, however, does not have to equal the amount of rental assistance provided that participant, nor does the value have to be equal to the amount of rental assistance on a year-to-year basis.

(c) **Calculating the value of supportive services.** In calculating the amount of the matching supportive services, applicants may count:

- (1) Salaries paid to staff of the recipient to provide supportive services to S+C participants;
- (2) The value of supportive services provided by other persons or organizations to S+C participants;
- (3) The value of time and services contributed by volunteers at the rate of \$10.00 an hour, except for donated professional services which may be counted at the customary charge for the service provided (professional services are services ordinarily performed by donors for payment, such as the services of health professionals, that are equivalent to the services they provide in their occupations);
- (4) The value of any lease on a building used for the provision of supportive services, provided the value included in the match is no more than the prorated share used for the program; and
- (5) The cost of outreach activities, as described in Sec. 582.325(a) of this part.



Sec. 582.115 Limitations on assistance.

(a) **Current occupants.** Current occupants of the real property are not eligible for assistance under this part. However, as described in Sec. 582.335, persons displaced as a direct result of acquisition, rehabilitation, or demolition for a project under the S+C program are eligible for and must be provided relocation assistance at Uniform Relocation Act levels.

(b) **Amount of assistance provided within a jurisdiction.** HUD will limit the amount of assistance provided within the jurisdiction of any one unit of local government to no more than 10 percent of the amount available.

(c) **Primarily religious organizations.** HUD will provide assistance to a recipient that contracts with a primarily religious organization, or a wholly secular organization established by a primarily religious organization, to provide, manage, or operate housing and supportive services if the organization agrees to provide the housing and services in a manner that is free from religious influences and in accordance with the following principles:

(1) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

(2) It will not discriminate against any person applying for housing or supportive services on the basis of religion and will not limit such housing or services or give preference to persons on the basis of religion;

(3) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of housing and supportive services.

(d) **Maintenance of effort.** No assistance received under this part (or any State or local government funds used to supplement this assistance) may be used to replace funds provided under any State or local government assistance programs previously used, or designated for use, to assist persons with disabilities, homeless persons, or homeless persons with disabilities.

Sec. 582.120 Consolidated plan.

(a) **Applicants that are States or units of general local government.** The applicant must have a HUD-approved complete or abbreviated consolidated plan, in accordance with 24 CFR part 91, and must submit a certification that the application for funding is consistent with the HUD-approved consolidated plan. Funded applicants must certify in a grant agreement that they are following the HUD-approved consolidated plan. If the applicant is a State, and the project will be located in a unit of general local government that is required to have, or has, a complete consolidated plan, or that is applying for Shelter Plus Care assistance under the same Notice of Fund Availability (NOFA) and will have an abbreviated consolidated plan with respect to that application, the State also must submit a certification by the unit of general local government that the State's application is consistent with the unit of general local government's HUD-approved consolidated plan.

(b) **Applicants that are not States or units of general local government.** The applicant must submit a certification by the jurisdiction in which the proposed project will be located that the jurisdiction is following its HUD-approved consolidated plan and the applicant's application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made by the unit of general local government or the State, in accordance with the consistency certification provisions of the consolidated plan regulations, 24 CFR part 91, subpart F.

(c) **Indian tribes and the Insular Areas of Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands.** These entities are not required to have a consolidated plan or to make consolidated plan certifications. An application by an Indian tribe or other applicant for a project that will be located on a reservation of an Indian tribe will not require a certification by the tribe or the State. However, where an Indian tribe is the applicant for a project that will not be



located on a reservation, the requirement for a certification under paragraph (b) of this section will apply.

(d) **Timing of consolidated plan certification submissions.** Unless otherwise set forth in the NOFA, the required certification that the application for funding is consistent with the HUD-approved consolidated plan must be submitted by the funding application submission deadline announced in the NOFA.

Subpart C -- Application and Grant Award

Sec. 582.200 Application and grant award.

(a) **Review.** When funds are made available for assistance, HUD will publish a notice of fund availability in the Federal Register in accordance with the requirements of 24 CFR part 4. Applications will be reviewed and screened in accordance with the guidelines, rating criteria and procedures published in the notice.

(b) **Rating criteria.** HUD will award funds based on the criteria specified in section 455(a)(1) through (8) of the McKinney Act (42 U.S.C. 11403d(1)--11403d(8)) and on the following criteria authorized by section 455(a)(9) of the McKinney Act (42 U.S.C. 11403d(9)):

(1) The extent to which the applicant has demonstrated coordination with other Federal, State, local, private and other entities serving homeless persons in the planning and operation of the project, to the extent practicable;

(2) Extent to which the project targets homeless persons living in emergency shelters, supportive housing for homeless persons, or in places not designed for, or ordinarily used as, a regular sleeping accommodation for human beings;

(3) Quality of the project; and

(4) Extent to which the program will serve homeless persons who are seriously mentally ill, have chronic alcohol and/or drug abuse problems, or have AIDS and related diseases.

Sec. 582.230 Environmental review requirements.

(a) **Responsibility for review.** (1) HUD will perform the environmental review, in accordance with part 50 of this title, for conditionally selected applications received from PHA applicants and from IHA applicants. HUD is not permitted to approve such applications prior to its completion of this review, nor is the PHA or IHA permitted to enter into a contract for, or otherwise commit HUD or local funds for, acquisition, rehabilitation, conversion, lease, repair, or construction of property to provide housing under the program, prior to HUD's completion of this review and approval of the application, except under the SRO component.

(2) Applicants that are States, units of general local government, or Indian tribes must assume responsibility as "responsible entities" for environmental review, decision-making, and action for each application for assistance in accordance with part 58 of this title. In addition, for PHA projects and IHA projects under the SRO component, environmental reviews will be performed by State, local government, Indian tribe, or Alaska native village "nonrecipient responsible entities" as provided under part 58 of this title. HUD is permitted to approve such applications subject to the completion of reviews by the applicant in accordance with part 58 of this title. Applicants performing these reviews may adopt relevant and adequate prior reviews conducted by HUD or another governmental entity if the reviews meet the particular requirements of the Federal environmental law or authority under which they would be adopted, and only under certain conditions (e.g., a determination that no environmentally significant changes have occurred since the review was done). Applicants who adopt such relevant and adequate prior reviews may include the environmental certification and Request for Release of Funds with their applications.

(b) **Environmental review by HUD.** With regard to the environmental effects of applications for which HUD performs the review, HUD will undertake its review in accordance with the provisions of NEPA and the related authorities listed in 24 CFR 50.4. HUD may eliminate an application from consideration where the application would require an Environmental Impact Statement (EIS). PHA



applicants and IHA applicants (other than under the SRO component) must include in their application an assurance that the applicant will:

(1) Not enter into a contract for, or otherwise commit HUD or local funds for, acquisition, rehabilitation, conversion, lease, repair, or construction of property to provide housing under the program, prior to HUD's completion of the review and approval of the application;

(2) Supply HUD with information necessary for HUD to perform any applicable environmental review when requested under Sec. 582.225(a); and

(3) Carry out mitigating measures required by HUD or ensure that alternate sites are utilized.

(c) **Environmental review by applicants or nonrecipient responsible entities.**

(1) An applicant that is required under paragraph (a)(2) of this section to assume environmental review responsibility must include in its application an assurance that the applicant will assume all the environmental review responsibility that would otherwise be performed by HUD as the responsible Federal official under NEPA and related authorities listed in 24 CFR 58.5. A PHA or IHA applicant under the SRO component must include in its application an assurance by the nonrecipient responsible entity that the entity will assume all the environmental review responsibility that would otherwise be performed by HUD as the responsible Federal official under NEPA and related authorities listed in 24 CFR 58.5.

(2) For applicants required to assume environmental review responsibility and for PHAs and IHAs under the SRO component, the award of funding is subject to completion of the environmental responsibilities set out in 24 CFR part 58 within a reasonable time period after notification of the award. (This provision does not preclude the applicant from enclosing its environmental certification and Request for Release of Funds with its application.)

(i) Upon completion of the requirements in 24 CFR part 58:

(A) Applicants required to assume environmental review responsibility must certify the completion;

(B) PHA and IHA applicants under the SRO component must submit the nonrecipient responsible entities' certification of completion; and

(C) All applicants must submit a Request for Release of Funds. This submission is not required in cases in which the applicant determines, in accordance with part 58 that its program components are totally exempt.

(ii) HUD will not release grant funds if the recipient or any other party commits grant funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the grantee submits and HUD approves its Request for Release of Funds (when such submission is required).

Subpart D -- Program Requirements

Sec. 582.300 General operation.

(a) **Participation of homeless individuals.**

(1) Each recipient must provide for the consultation and participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any housing assisted under this part or services for the participants. This requirement is waived if the applicant is unable to meet the requirement and presents a plan, which HUD approves, to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions. Participation by such an individual who also is a participant under the program does not constitute a conflict of interest under Sec. 582.340(b) of this part.

(2) To the maximum extent practicable, each recipient must involve homeless individuals and families, through employment, volunteer services, or otherwise, in constructing or rehabilitating housing assisted under this part and in providing supportive services required under Sec. 582.215 of this part.

(b) **Ongoing assessment of housing and supportive services.** Each recipient of assistance must conduct an ongoing assessment of the housing assistance and supportive services required by the participants, and make adjustments as appropriate.



(c) **Adequate supportive services.** Each recipient must assure that adequate supportive services are available to participants in the program.

(d) **Records and reports.** (1) Each recipient must keep any records and, within the timeframe required, make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require.

(2) Each recipient must keep on file, and make available to the public on request, a description of the procedures used to select sponsors under the SRA component and buildings under the SRO, SRA, and PRA components.

(3) Each recipient must develop, and make available to the public upon request, its procedures for managing the rental housing assistance funds provided by HUD. At a minimum, such procedures must describe how units will be identified and selected; how the responsibility for inspections will be handled; the process for deciding which unit a participant will occupy; how participants will be placed in, or assisted in finding appropriate housing; how rent calculations will be made and the amount of rental assistance payments determined; and what safeguards will be used to prevent the misuse of funds.

Sec. 582.305 Housing quality standards; rent reasonableness.

(a) **Housing quality standards.** Housing assisted under this part must meet the applicable housing quality standards (HQS) under Sec. 982.401 of this title--except that Sec. 982.401(j) of this title does not apply and instead part 35, subparts A, B, K and R of this title apply--and, for SRO under Sec. 882.803(b) of this title. Before any assistance will be provided on behalf of a participant, the recipient, or another entity acting on behalf of the recipient (other than the owner of the housing), must physically inspect each unit to assure that the unit meets the HQS. Assistance will not be provided for units that fail to meet the HQS, unless the owner corrects any deficiencies within 30 days from the date of the lease agreement and the recipient verifies that all deficiencies have been corrected. Recipients must also inspect all units at least annually during the grant period to ensure that the units continue to meet the HQS.

(b) **Rent reasonableness.** HUD will only provide assistance for a unit for which the rent is reasonable. For TRA, PRA, and SRA, it is the responsibility of the recipient to determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit, as well as not in excess of rents currently being charged by the same owner for comparable unassisted units. For SRO, rents are calculated in accordance with 24 CFR 882.805(g).

Sec. 582.310 Resident rent.

(a) **Amount of rent.** Each participant must pay rent in accordance with section 3(a)(1) of the U.S. Housing Act of 1937 (42 U.S.C. 1437a(a)(1)), except that the gross income of a person occupying an intermediate care facility assisted under title XIX of the Social Security Act is the same as if the person were being assisted under title XVI of the Social Security Act.

(b) **Calculating income.** (1) Income of participants must be calculated in accordance with 24 CFR 813.106.

(2) Recipients must examine a participant's income initially, and at least annually thereafter, to determine the amount of rent payable by the participant. Adjustments to a participant's rental payment must be made as necessary.

(3) As a condition of participation in the program, each participant must agree to supply the information or documentation necessary to verify the participant's income. Participants must provide the recipient information at any time regarding changes in income or other circumstances that may result in changes to a participant's rental payment.



Sec. 582.315 Occupancy agreements.

(a) **Initial occupancy agreement.** Participants must enter into an occupancy agreement for a term of at least one month. The occupancy agreement must be automatically renewable upon expiration, except on prior notice by either party.

(b) **Terms of agreement.** In addition to standard lease provisions, the occupancy agreement may also include a provision requiring the participant to take part in the supportive services provided through the program as a condition of continued occupancy.

Sec. 582.320 Termination of assistance to participants.

(a) **Termination of assistance.** The recipient may terminate assistance to a participant who violates program requirements or conditions of occupancy. Recipients must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination, so that a participant's assistance is terminated only in the most severe cases. Recipients are not prohibited from resuming assistance to a participant whose assistance has been terminated.

(b) **Due process.** In terminating assistance to a participant, the recipient must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of:

(1) Written notice to the participant containing a clear statement of the reasons for termination;

(2) A review of the decision, in which the participant 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; and

(3) Prompt written notice of the final decision to the participant.

Sec. 582.325 Outreach activities.

Recipients must use their best efforts to ensure that eligible hard-to-reach persons are served by S+C. Recipients are expected to make sustained efforts to engage eligible persons so that they may be brought into the program. Outreach should be primarily directed toward eligible persons who have a nighttime residence that is an emergency shelter or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., persons living in cars, streets, and parks). Outreach activities are considered to be a supportive service, and the value of such activities that occur after the execution of the grant agreement may be included in meeting the matching requirement.

Sec. 582.330 Nondiscrimination and equal opportunity requirements.

(a) **General.** Recipients may establish a preference as part of their admissions procedures for one or more of the statutorily targeted populations (i.e., seriously mentally ill, alcohol or substance abusers, or persons with AIDS and related diseases). However, other eligible disabled homeless persons must be considered for housing designed for the target population unless the recipient can demonstrate that there is sufficient demand by the target population for the units, and other eligible disabled homeless persons would not benefit from the primary supportive services provided.

(b) **Compliance with requirements.** (1) In addition to the nondiscrimination and equal opportunity requirements set forth in 24 CFR part 5, recipients serving a designated population of homeless persons must, within the designated population, comply with the prohibitions against discrimination against handicapped individuals under section 503 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 41 CFR chapter 60-741.

(2) The nondiscrimination and equal opportunity requirements set forth at part 5 of this title are modified as follows:



(i) The Indian Civil Rights Act (25 U.S.C. 1301 et seq.) applies to tribes when they exercise their powers of self-government, and to IHAs when established by the exercise of such powers. When an IHA is established under State law, the applicability of the Indian Civil Rights Act will be determined on a case-by-case basis. Projects subject to the Indian Civil Rights Act must be developed and operated in compliance with its provisions and all implementing HUD requirements, instead of title VI and the Fair Housing Act and their implementing regulations.

(ii) [Reserved]

(c) **Affirmative outreach.** (1) If the procedures that the recipient intends to use to make known the availability of the program are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or handicap who may qualify for assistance, the recipient must establish additional procedures that will ensure that interested persons can obtain information concerning the assistance.

(2) The recipient must adopt procedures to make available information on the existence and locations of facilities and services that are accessible to persons with a handicap and maintain evidence of implementation of the procedures.

(d) The accessibility requirements, reasonable modification, and accommodation requirements of the Fair Housing Act and of section 504 of the Rehabilitation Act of 1973, as amended.

Sec. 582.335 Displacement, relocation, and real property acquisition.

(a) **Minimizing displacement.** Consistent with the other goals and objectives of this part, recipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of supportive housing assisted under this part.

(b) **Relocation assistance for displaced persons.** A displaced person (defined in paragraph (f) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR part 24.

(c) **Real property acquisition requirements.** The acquisition of real property for supportive housing is subject to the URA and the requirements described in 49 CFR part 24, subpart B.

(d) **Responsibility of recipient.** (1) The recipient must certify (i.e., provide assurance of compliance) that it will comply with the URA, the regulations at 49 CFR part 24, and the requirements of this section, and must ensure such compliance notwithstanding any third party's contractual obligation to the recipient to comply with these provisions.

(2) The cost of required relocation assistance is an eligible project cost in the same manner and to the same extent as other project costs. Such costs also may be paid for with local public funds or funds available from other sources.

(3) The recipient must maintain records in sufficient detail to demonstrate compliance with provisions of this section.

(e) **Appeals.** A person who disagrees with the recipient's determination concerning whether the person qualifies as a "displaced person," or the amount of relocation assistance for which the person is eligible, may file a written appeal of that determination with the recipient. A low-income person who is dissatisfied with the recipient's determination on his or her appeal may submit a written request for review of that determination to the HUD field office.

(f) **Definition of displaced person.** (1) For purposes of this section, the term "displaced person" means a person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property permanently as a direct result of acquisition, rehabilitation, or demolition for supportive housing project assisted under this part. The term "displaced person" includes, but may not be limited to:

(i) A person that moves permanently from the real property after the property owner (or person in control of the site) issues a vacate notice or refuses to renew an expiring lease, if the move occurs on or after:



(A) The date that the recipient submits to HUD an application for assistance that is later approved and funded, if the recipient has control of the project site; or

(B) The date that the recipient obtains control of the project site, if such control is obtained after the submission of the application to HUD.

(ii) Any person, including a person who moves before the date described in paragraph (f)(1)(i) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the assisted project.

(iii) A tenant-occupant of a dwelling unit who moves permanently from the building/complex on or after the date of the "initiation of negotiations" (see paragraph (g) of this section) if the move occurs before the tenant has been provided written notice offering him or her the opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building/complex, under reasonable terms and conditions, upon completion of the project. Such reasonable terms and conditions must include a monthly rent and estimated average monthly utility costs that do not exceed the greater of:

(A) The tenant's monthly rent before the initiation of negotiations and estimated average utility costs, or

(B) 30 percent of gross household income. If the initial rent is at or near the maximum, there must be a reasonable basis for concluding at the time the project is initiated that future rent increases will be modest.

(iv) A tenant of a dwelling who is required to relocate temporarily, but does not return to the building/complex, if either:

(A) A tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, or

(B) Other conditions of the temporary relocation are not reasonable.

(v) A tenant of a dwelling who moves from the building/complex permanently after he or she has been required to move to another unit in the same building/complex, if either:

(A) The tenant is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move; or

(B) Other conditions of the move are not reasonable.

(2) Notwithstanding the provisions of paragraph (f)(1) of this section, a person does not qualify as a "displaced person" (and is not eligible for relocation assistance under the URA or this section), if:

(i) The person has been evicted for serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable Federal, State, or local or tribal law, or other good cause, and HUD determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;

(ii) The person moved into the property after the submission of the application and, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, or suffer a rent increase) and the fact that the person would not qualify as a "displaced person" (or for any assistance provided under this section), if the project is approved;

(iii) The person is ineligible under 49 CFR 24.2(g)(2); or

(iv) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(3) The recipient may request, at any time, HUD's determination of whether a displacement is or would be covered under this section.

(g) **Definition of initiation of negotiations.** For purposes of determining the formula for computing the replacement housing assistance to be provided to a residential tenant displaced as a direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, the term "initiation of negotiations" means the execution of the agreement between the recipient and HUD, or selection of the project site, if later.

Sec. 582.340 Other Federal requirements.

In addition to the Federal requirements set forth in 24 CFR Part 5, the following requirements apply to this program:

(a) **OMB Circulars.**¹ (1) The policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments) and 24 CFR part 85 apply to the acceptance and use of assistance under the



program by governmental entities, and OMB Circular Nos. A-110 (Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations) and 24 CFR part 84 and A-122 (Cost Principles Applicable to Grants, Contracts and Other Agreements with Nonprofit Institutions) apply to the acceptance and use of assistance by private nonprofit organizations, except where inconsistent with provisions of the McKinney Act, other Federal statutes, or this part.

(2) The financial management systems used by recipients under this program must provide for audits in accordance with the provisions of 24 CFR part 44. Private nonprofit organizations who are subrecipients are subject to the audit requirements of 24 CFR part 45. HUD may perform or require additional audits as it finds necessary or appropriate.

(b) **Conflict of interest.** (1) In addition to the conflict of interest requirements in 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter. Participation by homeless individuals who also are participants under the program in policy or decision-making under Sec. 582.300 of this part does not constitute a conflict of interest.

(2) Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b)(1) of this section on a case-by-case basis when it determine that the exception will serve to further the purposes of the program and the effective and efficient administration of the recipient's project. An exception may be considered only after the recipient has provided the following:

(i) For States, units of general local governments, PHAs and IHAs, a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) For all recipients, an opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(3) In determining whether to grant a requested exception after the recipient has satisfactorily met the requirement of paragraph (b)(2) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the project which would otherwise not be available;

(ii) Whether the person affected is a member of a group or class of eligible persons and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iii) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;

(iv) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b)(1) of this section;

(v) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vi) Any other relevant considerations.

Subpart E -- Administration

Sec. 582.400 Grant agreement.

(a) **General.** The grant agreement will be between HUD and the recipient. HUD will hold the recipient responsible for the overall administration of the program, including overseeing any subrecipients or contractors. Under the grant agreement, the recipient must agree to operate the program in accordance with the provisions of this part and other applicable HUD regulations.

(b) **Enforcement.** HUD will enforce the obligations in the grant agreement through such action as may be necessary, including recapturing assistance awarded under the program.



Sec. 582.405 Program changes.

(a) **Changes.** HUD must approve, in writing, any significant changes to an approved program. Significant changes that require approval include, but are not limited to, a change in sponsor, a change in the project site for SRO or PRA with rehabilitation projects, and a change in the type of persons with disabilities to be served. Depending on the nature of the change, HUD may require a new certification of consistency with the CHAS (see Sec. 582.120).

(b) **Approval.** Approval for such changes is contingent upon the application ranking remaining high enough to have been competitively selected for funding in the year the application was selected.

Sec. 582.410 Obligation and deobligation of funds.

(a) **Obligation of funds.** When HUD and the applicant execute a grant agreement, HUD will obligate funds to cover the amount of the approved grant. The recipient will be expected to carry out the activities as proposed in the application. After the initial obligation of funds, HUD is under no obligation to make any upward revisions to the grant amount for any approved assistance.

(b) **Deobligation.** (1) HUD may deobligate all or a portion of the approved grant amount if such amount is not expended in a timely manner, or the proposed housing for which funding was approved or the supportive services proposed in the application are not provided in accordance with the approved application, the requirements of this part, and other applicable HUD regulations. The grant agreement may set forth other circumstances under which funds may be deobligated, and other sanctions may be imposed.

(2) HUD may readvertise, in a notice of fund availability, the availability of funds that have been deobligated, or may reconsider applications that were submitted in response to the most recently published notice of fund availability and select applications for funding with the deobligated funds. Such selections would be made in accordance with the selection process described in Sec. 582.220 of this part. Any selections made using deobligated funds will be subject to applicable appropriation act requirements governing the use of deobligated funding authority.



TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER IX--OFFICE OF ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 982--SECTION 8 TENANT BASED ASSISTANCE: HOUSING CHOICE VOUCHER PROGRAM

Code of Federal Regulations [Title 24, Volume 4, Parts 700 to 1699]
Sec. 982 Housing quality standards (HQS).

- (a) Performance and acceptability requirements.
- (1) This section states the housing quality standards (HQS) for housing assisted in the programs.
- (2)(i) The HQS consist of:
- (A) Performance requirements; and
 - (B) Acceptability criteria or HUD approved variations in the acceptability criteria.
- (ii) This section states performance and acceptability criteria for these key aspects of housing quality:
- (A) Sanitary facilities;
 - (B) Food preparation and refuse disposal;
 - (C) Space and security;
 - (D) Thermal environment;
 - (E) Illumination and electricity;
 - (F) Structure and materials;
 - (G) Interior air quality;
 - (H) Water supply;
 - (I) Lead-based paint;
 - (J) Access;
 - (K) Site and neighborhood;
 - (L) Sanitary condition; and
 - (M) Smoke detectors.
- (3) All program housing must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.
- (4)(i) In addition to meeting HQS performance requirements, the housing must meet the acceptability criteria stated in this section, unless variations are approved by HUD.
- (ii) HUD may approve acceptability criteria variations for the following purposes:
- (A) Variations which apply standards in local housing codes or other codes adopted by the PHA; or
 - (B) Variations because of local climatic or geographic conditions.
- (iii) Acceptability criteria variations may only be approved by HUD pursuant to paragraph (a)(4)(ii) of this section if such variations either:
- (A) Meet or exceed the performance requirements; or
 - (B) Significantly expand affordable housing opportunities for families assisted under the program.
- (iv) HUD will not approve any acceptability criteria variation if HUD believes that such variation is likely to adversely affect the health or safety of participant families, or severely restrict housing choice.
- (b) Sanitary facilities**--(1) Performance requirements. The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition, and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.
- (2) Acceptability criteria. (i) The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
- (ii) The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
- (iii) The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.
- (iv) The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).



(c) Food preparation and refuse disposal—(1) Performance requirement.

(i) The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.

(ii) There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

(2) Acceptability criteria.

(i) The dwelling unit must have an oven, and a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. The equipment may be supplied by either the owner or the family. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.

(ii) The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.

(iii) The dwelling unit must have space for the storage, preparation, and serving of food.

(iv) There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

(d) Space and security—(1) Performance requirement. The dwelling unit must provide adequate space and security for the family.

(2) Acceptability criteria. (i) At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.

(ii) The dwelling unit must have at least one bedroom or living/ sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.

(iii) Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.

(iv) The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

(e) Thermal environment--(1) Performance requirement. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

(2) Acceptability criteria. (i) There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.

(ii) The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

(f) Illumination and electricity--(1) Performance requirement. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

(2) Acceptability criteria. (i) There must be at least one window in the living room and in each sleeping room.

(ii) The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating

(iii) The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

(g) Structure and materials--(1) Performance requirement. The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

(2) Acceptability criteria. (i) Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.

(ii) The roof must be structurally sound and weathertight.



(iii) The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.

(iv) The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.

(v) Elevators must be working and safe.

(h) Interior air quality--(1) Performance requirement. The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

(2) Acceptability criteria. (i) The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.

(ii) There must be adequate air circulation in the dwelling unit.

(iii) Bathroom areas must have one openable window or other adequate exhaust ventilation.

(iv) Any room used for sleeping must have at least one window. If the window is designed to be openable, the window must work.

(i) Water supply--(1) Performance requirement. The water supply must be free from contamination.

(2) Acceptability criteria. The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

(j) Lead-based paint performance requirement. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, M, and R of this title apply to units assisted under this part.

(k) Access performance requirement. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

(l) Site and Neighborhood--(1) Performance requirement. The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

(2) Acceptability criteria. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

(m) Sanitary condition--(1) Performance requirement. The dwelling unit and its equipment must be in sanitary condition.

(2) Acceptability criteria. The dwelling unit and its equipment must be free of vermin and rodent infestation.

(n) Smoke detectors performance requirement --(1) Except as provided in paragraph (n)(2) of this section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, - smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).

(2) For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993 in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

[60 FR 34695, July 3, 1995, as amended at 61 FR 27163, May 30, 1996; 63 FR 23861, Apr. 30, 1998; 64 FR 26646, May 14, 1999; 64 FR 49658, Sept. 14, 1999; 64 FR 50230, Sept. 15, 1999]

ⁱ Copies of OMB Circulars may be obtained from E.O.P. Publications, room 2200, New Executive Office Building, Washington, DC 20503, telephone (202) 395-7332. (This is not a toll-free number.) There is a limit of two free copies.

