AP-90 Discussion

The City of Somerville uses the HOME affordable homeownership limits for the area provided by HUD for the purposes of determining the maximum allowable value of properties receiving homebuyer assistance and rehabilitation of owner-occupied single-family housing.

Determining Eligibility (ALL PROGRAMS) Income Eligibility

Initial Intake will conduct an income review to determine that the household is at or below 80% AMI based on the Section 8 Part 5 income definition.

Citizen or Qualified Alien

The client application will require applicant to verify if they are an American citizen. Non-citizens will need to provide documentation that they meet the criteria laid out under the Personal Responsibility and Work Act of 1996 found in Section 431 of the Act. The eligible categories for qualified aliens are as follows:

SEC. 431. DEFINITIONS.

(b) QUALIFIED ALIEN.—For purposes of this title, the term ''qualified alien'' means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,
(2) an alien who is granted asylum under section 208 of such Act,
(3) a refugee who is admitted to the United States under section 207 of such Act,
(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,
(5) an alien whose deportation is being withheld under section 243(h) of such Act, or
(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

The applicant will be required to provide adequate documentation to show how they meet one of these categories. Somerville housing staff will complete an initial review of any such submissions and will seek input from HUD when they are unsure of appropriate designation.

Homebuyer Counseling

Applicants seeking either Closing Cost or Down payment assistance will be required to complete Homebuyer Counseling classes. Applications for assistance may be submitted for eligibility review but cannot be processed for commitment of HOME funds until the client provides a copy of the Homebuyer Counseling certificate from a Massachusetts Homeownership Collaborative approved counseling agency.

TBRA Additional Requirements:

An applicant must be an individual or household that is 1) a Somerville resident, 2) income eligible, 3) homeless or at risk of becoming homeless, and 4) able to achieve self-sufficiency within one year.

- A *Somerville Resident* is an individual or household member who is:

    a) Living in Somerville; or
    b) Working in Somerville; or
    c) Living in Somerville immediately prior to homelessness; or
    d) Living in a Somerville shelter.

- *Income eligible* means the applicant's household income is less than or equal to sixty percent (60%) of the median income for the U.S. Department of Housing and Urban Development's (HUD) Boston Primary Metropolitan Statistical Area (Median Income) and the applicant is not receiving any rent subsidies. Applicants for just security deposit may be receiving a rent subsidy.

- *Homeless* means:

    a) Living in a shelter, or on the street; or
    b) Temporarily living with a friend or family member, as the only alternative to living in a shelter, or on the street; or
    c) At risk of becoming homeless because of a rent increase of 50% or greater making rent (adjusted for utilities) higher than the applicable HUD Fair Market Rent (FMR) and more than 50% of gross income; or loss of more than 30% of household gross income due to a death, divorce, legal separation, separation, domestic violence, involuntary loss of wages, or being within one year of losing Department of Transitional Assistance income benefits; or unable to rent an apartment for lack of funds to pay the security deposit; or
    d) living in an unsafe environment which poses an immediate threat to health or safety.

- *Able to achieve self sufficiency within one year* means the applicant is:

    a) In or able and willing to enroll in a job training or educational program to be completed within one year; or
    b) Employed; or
    c) An approved applicant for emergency housing from the Somerville Housing Authority and or other Public Housing Authority with an anticipated housing placement with 12 (twelve) months of acceptance into the program
    d) Willingness to apply to any and all affordable housing opportunities. This shall include but is not limited to the following:
        1. Public Subsidized Housing
        2. Subsidized SRO programs
        3. Transitional Housing Programs

Process for soliciting and funding applications or proposals

Applications for Housing Rehab and Homebuyer Assistance will be accepted on a first-come, first-serve basis and can be obtained on the City's website or by contacting the Housing Division. Preference for Housing Rehab will be given to homes in established NRSAs within the city.

TBRA applicants will be accepted by the Somerville Homeless Coalition and should contact them directly to obtain and application.

Applicants seeking funds for housing development must submit an application for consideration, which can be obtained by contacting the Housing Division. Projects will be reviewed for consistency with the City's Five-Year Consolidated Plan and other underwriting standards before being funded.

Preferences for HOME-funded programs is as follows:

Homebuyer Activities: No preference. Program is available on a first-come, first-serve basis.

Housing Rehabilitation: Preference will be given to units in established NRSAs. Otherwise, the program is available on a first-come, first-serve basis.

Tenant-Based Rental Assistance: Applicants will be reviewed by the Somerville Homeless Coalition for eligibility and scored based on their ability to meet eligibility criteria as described above. Additional preference will be given to households who are homeless because of domestic violence and applicants who are displaced because of disaster, fire or flood or living in an unsafe environment which poses immediate threat to health or safety.

Affirmative Marketing Policy

(Equal Housing Opportunity)

City of Somerville Office of Strategic Planning & Community Development – Housing Division

Statement

This Affirmative Marketing Policy ("the Policy") is developed for use in HOME Investment Partnerships ("HOME")-funded projects in accordance with the HOME Program regulations, including but not limited to 24 CFR 92.351 of the U.S. Department of Housing and Urban Development ("HUD"). The Policy is a commitment of the Housing Division of the City of Somerville's Mayor's Office of Strategic Planning and Community Development (the "Division"), its staff, and the owner of the HOME-funded project (the "Beneficiary"). The Beneficiary shares responsibility with the Division in informing the public about the Federal Fair Housing laws, soliciting eligible persons without regard to race, color, national origin, sex, sexual orientation, source of income, religion, familial status, or disability into the affordable housing market, and evaluating the effectiveness of these marketing efforts. The Beneficiary is held to the terms of the Policy by the requirements in the applicable funding agreement of the HOME-funded project (the "Funding Agreement").

Purpose

In accordance with the regulations of the HOME Program and in furtherance of the City of Somerville's commitment to non-discrimination and equal housing opportunity, the Division establishes these procedures to affirmatively market units in rental and homebuyer projects containing five (5) or more HOME-assisted housing units (the "Covered Units").

It is the Affirmative Marketing Policy of the Division to assure that individuals who normally might not apply for available housing units without special outreach be informed of available units, be encouraged to apply, and have an equal opportunity to rent or own the available housing units being offered.

1. Methods for the Division to use to inform the public, potential tenants and potential owners about federal fair housing laws and affirmative marketing policies and procedures

    a. The Division shall be responsible for implementing the Policy and evaluating its effectiveness as required by the HOME Program.

    b. The Division shall inform the community about its Policy through periodic updates on the City of Somerville's web page, meetings with development and social service agency directors, at public hearings for the City's One-Year Action Plans, the Division's liaison to the Somerville Fair Housing Commission, and in its funding commitment letters, etc.

    c. The Division shall display the HUD Equal Housing Opportunity logo or slogan in its offices and on application forms concerning the HOME Program.

    d. The Division shall also provide the Beneficiary copies of this Policy prior to or at the

time of HOME funding.

e. The Division shall continue its practice of providing general information and telephone reference numbers to persons contacting the Division with questions regarding Affirmative Marketing, Federal Fair Housing, tenant's rights, assisted housing, and correction of substandard conditions in tenant-occupied dwellings.

2. Requirements and practices each Beneficiary of a HOME-funded housing project with Covered Units must follow in order to carry out the Division's Policy.

   a. The Beneficiary shall incorporate an Equal Housing Opportunity statement and logo in its correspondence which shall be used relating to the Covered Units.

   b. The Beneficiary shall purchase advertisements in local papers and minority newspapers advertising vacant units in advance of selecting a buyer or tenant without holding units off the market. All ads shall contain the HUD Equal Housing Opportunity logo or slogan.

   c. The Beneficiary shall notify the Somerville Housing Authority and other community organizations serving low and moderate income individuals and families when vacant units are available for initial purchase or rent and throughout the period of affordability.

   d. The Beneficiary shall notify the Division when vacant units are available for initial purchase or rent and throughout the period of affordability.

   e. The Beneficiary shall display the HUD Equal Housing Opportunity logo or slogan in its offices and on application forms concerning the HOME Program.

3. Procedures to be used by Beneficiaries to inform and solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach

   a. The Beneficiary shall send notices of vacant units, or units that will become vacant within 30 days to an approved mailing list maintained by the Division for the required period of affordability as referenced in the applicable Funding Agreement. The list shall include but not be limited to the following organizations and agencies serving low and moderate income individuals and families:

      <u>Somerville Housing Authority</u>
      30 Memorial Rd., Somerville, MA 02145, 617-625-1152; fax: 617-628-7057

      <u>Community Action Agency of Somerville</u>
      66-70 Union Sq., Somerville, MA 02143, 617-623-7370; fax: 617-628-2512

      <u>Massachusetts Alliance of Portuguese Speakers</u>
      1046 Cambridge St., Cambridge, MA 02139, 617-864-7600; fax: 617-864-7621

      <u>The Welcome Project</u>

530 Mystic Ave., Somerville, MA 02145, 617-623-6633; fax: 617-623-7180

Veteran's Services
50 Evergreen Ave., Somerville, MA 02145, 617-6600

Haitian Coalition
Clarendon Hill Development, 268R Powderhouse Blvd., Somerville, MA 02144, 617-625- 6400; fax: 617-625-6402

Elizabeth Peabody House
277 Broadway, Somerville, MA 02145, 617-623-5510; fax: 617-623-5515

Somerville Homeless Coalition
PO Box 440436, 1 Davis Sq., Somerville, 02144, 617-623-6111; fax: 617-776-7165

The Somerville Community Corporation
337 Somerville Ave., 2nd flr., Somerville, MA 02143, 617-776-5931

Heading Home
99 Bishop Richard Allen Dr., Cambridge, MA 02139

YMCA
101 Highland Ave., Somerville, MA 02143, 617-625-5050; fax: 617-628-2234

Council on Aging
167 Holland St., Somerville, MA 02144, 617-625-6600 x 2300; fax: 617-625-0688

Centro Latino
105 Windsor St., Cambridge, MA 02139, 617-661-9406; fax: 617-661-8008

City of Somerville Housing Programs
50 Evergreen Ave., Somerville MA 02145, 617-625-6600; fax: 617-666-8035
Listings will be posted on City's website.

Massachusetts Accessible Housing Registry www.chapa.org

4. Records that will be kept describing actions taken by the Division and Beneficiaries to affirmatively market Covered Units and records to assess the results of these actions

    a. The Division shall keep the following records:

        i. Copies of all meeting agenda and minutes of the Division and the Somerville Fair Housing Commission pertaining to this Policy, and all agenda and training materials of any training workshop pertaining to this Policy.

        ii. Copies of correspondence, Funding Agreements, reports, and any homebuyer or tenant surveys conducted before and after new construction or rehabilitation of Covered Units.

b. The Beneficiary of property with Covered Units shall keep the following records:

   i. Records to document its compliance with this Policy and to assess the results of its efforts.

   ii. The Beneficiary shall submit an annual report to the Division summarizing its actions taken to comply with this Policy and identifying those served. This report shall be required throughout the period of affordability referenced in the Funding Agreement.

5. Description of how the Division shall assess the success of affirmative marketing actions and what corrective actions shall be taken

   a. The Division shall assess the effectiveness of its Policy on an annual basis.

   b. The Division will compare the information compiled in the manner described under Section 4 of this Policy and evaluate the degree to which statutory and Policy objectives were met. If the required steps were taken, the Division will determine that good faith efforts have, in fact been made.

   c. To determine results, the Division may examine whether or not specific groups in the City of Somerville applied for or became tenants or owners of Covered Units that were affirmatively marketed. If the Division finds that specific groups are represented, particularly, Hispanic-Latinos, African Americans, Asians/Pacific Islanders, American Indians, persons with disabilities, and women, the Division will assume that the Affirmative Marketing procedures were effective. If within the context of existing neighborhood composition, one or more groups are not represented the Division will review its procedures to determine what changes, if any, might be made to make the Policy more effective.

   d. If it is determined that a Beneficiary failed to carry out Affirmative Marketing efforts as required, the Division will take corrective action. If a Beneficiary continues to neglect responsibilities made incumbent upon it by the terms of the Funding Agreement, the Division will consider taking one or both of the following actions:

      i. Declare the Beneficiary disqualified from any further assistance made available under the HOME Program.

      ii. Notify the Beneficiary that there is a violation of the terms of the Funding Agreement and that the City of Somerville may exercise its right to require immediate repayment of the grant or loan.

   e. The Division shall not proceed with corrective action without allowing time and effort by staff to counsel the Beneficiary in accordance with the terms of the Funding Agreement.

f. The Division will carry out assessment activities and complete a written assessment of Affirmative Marketing efforts in accordance with each Funding Agreement in compliance with HUD regulations.

Guidelines for Resale and Recapture

Recapture of Direct Assistance

The City of Somerville uses HOME Investment Partnerships Program (HOME) funds to assist first-time homebuyers through its Closing Cost Assistance, Down Payment Assistance, and housing development activities. The direct assistance to the homebuyer provided through the Closing Cost Assistance and Down Payment Assistance programs is recaptured upon the sale, transfer or other conveyance of the property or non-compliance with owner-occupant residency requirement. There are no resale- restrictions imposed on these properties. The two sample disclosure statements below detail the recapture of the direct assistance provided through the DPA and CCA programs.

Homebuyer housing developed by the City of Somerville through its HOME program for the benefit of persons of low-moderate income is resale restricted with the goal of ensuring the housing remains affordable to this population. In the event direct financial assistance is needed to preserve the affordability of an affordable housing unit at the time of a resale to a subsequent eligible homebuyer, a forgivable, deferred payment down-payment assistance loan would be provided to cover the amount above the then-current maximum affordable price. Upon resale of an affordable housing unit by a homebuyer who received such direct assistance and who is in compliance with the occupancy and resale restrictions, the repayment of the direct assistance will be waived. The direct assistance and a portion of any appreciation would be recaptured at the time of resale as provided in the down-payment assistance promissory note, if the homebuyer who received such direct assistance, is not in compliance with the occupancy and resale restrictions. If additional HOME funds are provided to a subsequent eligible homebuyer during the HOME Affordability Period, the additional investment would extend the original period of affordability. In no event will the additional subsidy exceed the maximum per unit subsidy in effect at the time of the original HOME assistance.

Resale Restrictions

Homebuyer housing developed by the City of Somerville through its HOME program is resale restricted. An Affordable Housing Covenant imposed by the developer or sponsor of the project that is recorded in the Middlesex South County Registry of Deeds, restricts the use and resale of the affordable housing units for the duration of the HOME Affordability Period. It sets forth the method for determining a resale price that will provide the selling homebuyer a fair return on investment, and provides a plan for the administration and enforcement of the covenants and restrictions.

Prior to the expiration of the HOME Affordability Period, the Owner of the Affordable Housing Unit must sell, convey or otherwise transfer the Affordable Housing Unit only to a household who at the time of such transfer is an eligible low-income purchaser and intends to occupy the Affordable Housing Unit as his, her or their principal residence.

When an Owner desires to sell, convey or otherwise transfer his, her or their interest in an Affordable Housing Unit or any portion thereof, the Owner must notify the City of Somerville OSPCD-Housing Division in writing of the Owner's desire to sell the Affordable Housing Unit (a “Sale Notice”).

Any sale, conveyance, or other transfer, prior to the expiration of the HOME Affordability Period, whether or not to an eligible low-income purchaser, is subject to maximum resale price limitations. The Maximum Resale Price Limitation is the consideration paid for the Affordable Housing Unit as specified in the Deed to the Owner plus a Fair Return to Owner.

The Fair Return to Owner is based on the percentage change in the Consumer Price Index between the time the Affordable Housing Unit was purchased and when it is sold. The Fair Return to Owner is the sum of (i) the down-payment made by the Owner at the time of the purchase of the Affordable Housing Unit increased by the percentage change in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers[1], plus (ii) the aggregate Capital Improvement Recovery Amounts for all Recognized Capital Improvements made by the Owner.

The percentage change in the CPI is a fraction whose numerator is the difference between the CPI for the month before the Sale Notice and the CPI for the month before Purchase, and whose denominator is the CPI for the month before the Purchase:

> Percentage Change in the CPI = <u>CPI Month Before Notice – CPI Month Before Purchase</u> CPI Before Purchase
>
> Fair Return to Owner = (Owner's Down Payment X Percentage Change in the CPI) + (Capital Improvement Recovery Amounts)

Recognized Capital Improvements means improvements to an Affordable Housing unit that are considered to be "capital" improvements within the definition of the United States Internal Revenue Code and that fit within one of the following categories of capital improvements:

- Upgraded flooring;
- Upgraded windows;
- Upgraded exterior siding;
- Addition of a bedroom; and
- Other improvements identified by the Owner and reviewed and approved by the City of Somerville OSPCD-Housing Division.

All Recognized Capital Improvements must have received written pre-approval by the City of Somerville OSPCD-Housing Division prior to commencement of the capital improvement work and will be valued at the Capital Improvement Recovery Amount. They must have [1]complied with all pertinent statutes, ordinances and regulations at the time such improvements were made, and the cost of the capital improvement has been documented to the satisfaction of the City at the time of resale.

---

[1] The Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers, All Items (November 1982 = 100 published by the Bureau of Labor Statistics of the United States Department of Labor). In the event the CPI Index ceases to use the November 1982 index of 100 as the basis of calculation or if a substantial change is made in the terms or number of items contained in the Price Index, then a comparable successor or substitute index shall be designated by the City of Somerville OSPCD-Housing Division and appropriately adjusted

The Capital Improvement Recovery Amout means, with respect to a particular Recognized Capital Improvement, the documented cost of such Recognized Capital Improvement depreciated on a straight- line basis using the useful life for the type of capital improvement in question as set forth in the United States Internal Revenue Code.

Any purported sale, conveyance or other transfer of the Affordable Housing unit which is effected without following the provisions set forth in the Affordable Housing Covenant shall be null and void.

Recapture of Direct Assistance CLOSING COST ASSISTANCE PROGRAM

City of Somerville HOME Program Homebuyer Assistance Program Written Agreement

Closing Cost Assistance

_____, "Homebuyer," is receiving financial assistance from the HOME Investment Partnership Program in the form of a loan of HOME funds from the City of Somerville. Homebuyer therefore agree to the following terms.

1. Property Information

   Homebuyer is acquiring the "Property" located at _____, Somerville, MA 0214_.

2. Value of the Property

   Homebuyer is using the HOME funds to acquire the **p**roperty at a purchase price of $_____, as stated in the deed to the homebuyer. The current appraised value of the property is $_____. The Homebuyer acknowledges that the purchase price does not exceed HUD's 203b limits for purchase price of a ho**m**e in Somerville at the time of this agreement.

3. Eligibility

   Homebuyer certifies that all information provided to the City of Somerville regarding household income and first-time homebuyer status to demonstrate eligibility to receive HOME funds is true and accurate. Homebuyer understands that any disc**r**epancies or misrepresentations may result in disqualification from the HOME program and possible repayment of assistance received.

4. Use and Amount of HOME funds

   In order to assist the Homebuyer in purchasing the Property, the City of Somerville is providing a 5-year, 0% interest, forgivable loan in the amount of $____ for the purpose of closing cost assistance. As a condition of this loan, the Homebuyer will also be required to execute a Promissory Note and Mortgage, which will be recorded with the Middlesex South County Registry of Deeds.

5. Period of Affordability

   Homebuyer agrees that the period of affordability for the property shall be 5 years from the date of purchase. [However, the homebuyers understand and acknowledge that _____ is a deed restricted property, and will be affordable in perpetuity, and that the obligations under the Affordable Housing Restrictions, dated _____ and recorded with the Middlesex South Registry of Deeds in Book ____ on Page ____ will remain after the closing cost loan has been forgiven [note the sentence in brackets should be removed if not an Inclusionary unit].

6. Deadline for Purchase

   Homebuyer represents that Homebuyer intends to purchase the property no later than _____. Homebuyer acknowledges that if Homebuyer does not purchase the property by this date, the Homebuyer forfeits any right to receive HOME funds pursuant to this agreement, unless the City of Somerville grants an extension, not to exceed 30 days.

7. Principal Residency Requirement

   Homebuyer certifies that he/she intends to occupy the Property as his/her principal residence for the period of affordability described in Section 5 of this agreement. Homebuyer understands that failure to do so will result in a default of the terms of the loan and will be subject to the Recapture Provisions described in Section 8 of this agreement. Homebuyer agrees to supply information on an annual basis, at the request of the City of Somerville, to verify principal residency.

8. Recapture Provisions

   Homebuyer acknowledges and understands that if Homebuyer fails to comply with the Residency Requirement or any other terms of the Loan, or sells or transfers the Property for any reason, during the affordability period, the City of Somerville will recapture the entire direct HOME subsidy provided to the homebuyer, as described in Section 4, before the homebuyer receives a return. This recapture amount is limited to the net proceeds available from the sale. Net proceeds are defined as the sales price minus superior loan payments (other than HOME funds) and any closing costs. This recapture provision has a term of 5 years.

I/We acknowledge that I/we have received a copy of the fully executed HOME Homebuyer Assistance Program Written Agreement and that the requirements, terms and conditions included in it were explained to me/us.

_____

Homebuyer, Date

_____

Homebuyer, Date

_____

_____, Director of Housing, OSPCD City of Somerville, Date

Recapture of Direct Assistance

DOWN PAYMENT ASSISTANCE PROGRAM

City of Somerville HOME Program Homebuyer Assistance Program Written Agreement

_____"Homebuyer" is receiving financial assistance from the HOME Investment Partnership Program in the form of a loan of HOME funds from the City of Somerville. Homebuyer therefore agrees to the following terms.

1. Property Information

   Homebuyer is acquiring the "Property" located at _____, Somerville, MA 0214_.

2. Value of the Property

   Homebuyer is using the HOME funds to acquire the property at a purchase price of $_____, as stated in the deed to the homebuyer. The current appraised value of the property is $_____. The Homebuyer acknowledges that the purchase price does not exceed HUD's 203b limits for purchase price of a home in Somerville at the time of this agreement.

3. Eligibility

   Homebuyer certifies that all information provided to the City of Somerville regarding household income and first-time homebuyer status to demonstrate eligibility to receive HOME funds is true and accurate. Homebuyer understands that any discrepancies or misrepresentations may result in disqualification from the HOME program and possible repayment of assistance received.

4. Use and Amount of HOME funds

   In order to assist the Homebuyer in purchasing the Property, the City of Somerville is providing a 0% interest deferred payment loan, plus appreciation share as described in Section 8, in the amount of $_ for the purpose of down payment assistance. As a condition of this loan, the Homebuyer will also be required to execute a Promissory Note and Mortgage, which will be recorded with the Middlesex South County Registry of Deeds.

5. Period of Affordability

   Homebuyer agrees that the period of affordability for the property shall be for as long as the Homebuyer resides in the property and the loan remains unpaid.

6. Deadline for Purchase

   Homebuyer represents that Homebuyer intends to purchase the property no later than _____. Homebuyer acknowledges that if Homebuyer does not purchase the property

by this date, the Homebuyer forfeits any right to receive HOME funds pursuant to this agreement, unless the City of Somerville grants an extension, not to exceed 30 days.

7. Principal Residency Requirement

   Homebuyer certifies that he/she intends to occupy the Property as his/her principal residence for the period of affordability described in Section 5 of this agreement. Homebuyer understands that failure to do so will result in a default of the terms of the loan and will be subject to the Recapture Provisions described in Section 8 of this agreement. Homebuyer agrees to supply information on an annual basis, at the request of the City of Somerville, to verify principal residency.

8. Recapture Provisions

   Homebuyer acknowledges and understands that if Homebuyer fails to comply with the Residency Requirement or any other terms of the Loan, or sells or transfers the Property for any reason, during the affordability period, the City of Somerville will recapture the entire direct HOME subsidy provided to the homebuyer, as described in Section 4, before the homebuyer receives a return. In all cases of repayment, the Borrower shall pay, in addition to the entire Principal Sum of the Note, an "Appreciation Share", which shall be calculated as follows:

   Appreciation Share ($) = Principal Sum ($) X Property Appreciation ($) Acquisition Cost ($)

   a. The "Principal Sum" is the Principal Sum set forth in the first paragraph of the Note.

   b. "Acquisition Cost" is the purchase price paid by the Borrower plus the cost of repairs to meet U.S. Department of Housing and Urban Development ("HUD") Housing Quality Standards and all applicable state and local codes. Borrower agrees that the Acquisition Cost, as of the date of the Note, is «Acquisition_Cost».

   c. "Appreciation", in the case of a transfer by sale, is the difference between the Acquisition Cost of the Property and the gross sale price of the Property. In all other cases, including transfer, default, and voluntary repayment, "Appreciation" shall mean the difference between the Acquisition Cost of the Property and the fair market value of the Property on or about the time of transfer, default, or voluntary repayment, as determined by an independent appraisal obtained by the Lender and paid for by the Borrower.

This recapture amount is limited to the net proceeds available from the sale. Net proceeds are defined as the sales price minus superior loan payments (other than HOME funds) and any closing costs.

I/We acknowledge that I/we have received a copy of the fully executed HOME Homebuyer Assistance Program Written Agreement and that the requirements, terms and conditions included in it were explained to me/us.

Homebuyer, Date

Homebuyer, Date

_____, Director of Housing, City of Somerville, Date

Appendices

APPENDIX A: Criteria for Defining Homelessness				
Category 1	Category 2	Category 3	Category 4	At-Risk
Literally Homeless	Imminent Risk of Homelessness	Homeless under other Federal Statutes	Fleeing/Attempting to Flee DV	At Risk of Homelessness

Individual or family who lacks, regular and adequate nighttime residence, meaning: ● Primary nighttime residence is public or private and not meant for human habitation. ● Is living in a public or privately-operated shelter (congregate shelters, transitional housing and hotels and motels are paid for by charitable organizations or federal, state and local government. ● Is exiting an institution where(s) he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.	Individual or family who will imminently lose their primary nighttime residence, provided that: ● Residence will be lost within 14 days of the date of application for homeless assistance ● No subsequent residence has been identified; and ● The individual or family lacks the resources or support networks needed to obtain other permanent housing.	Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: ● Are defined homeless under the listed federal statutes; ● Have no lease, ownership interest or occupancy agreement in permanent housing for 60 days prior to the homeless assistance application; ● Have experience persistent instability as measured by two (2) moves or more during in the preceding 60 days; and ● Can be expected to continue such status for an extended period due to special needs and barriers.	Any individual or family who meets Category 1 criteria AND: ● Is fleeing, or is attempting to flee domestic violence; ● Has no other residence; and ● Lacks the resources or support networks to obtain other permanent housing.	Individual or family with annual income below 50%AMI and: ● The individual or family lacks the resources or support networks needed to obtain other permanent housing; and meets one of the following: ● Has moved because of economic reasons 2 or more times during the past 60 days ● Is living in the home of another because of economic hardship ● Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after date of application for assistance ● Lives in a hotel or motel, cost NOT paid for by charity or other assistance ● Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau ● Is exiting a publicly funded institution ● Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the consolidated plan

Appendix B: Non-Duplication of Assistance Checklist

Non-Duplication of Assistance Checklist

All boxes must be checked below prior to funds being administered or prior to invoicing the City of Somerville.

Prior to Administering Assistance

- ☐ Client has disclosed all other sources of funding applied for and signed the below statement
- ☐ Landlord has confirmed current rental arrears owed
- ☐ _staff has followed up on all pending funding applications to communicate with other funding agencies to determine who can administer assistance and when. _will only fund assistance when other agencies are unable to do so in a timely manner

Prior to Invoicing the City of Somerville

- ☐ _staff has notified all agencies for which the client has pending funding applications that _ has administered assistance (months and amounts will be shared)

Client Statement

I, ____, have applied for rental arrears and/or prospective rental assistance from the following agencies.

Agency	Amount Requested	Purpose	Date of Application

By signing below, I certify that to the best of my knowledge I have not received funding from any of the above applications and that all applications that have been submitted by me or on my behalf for rental assistance are listed.

_____ _____ _____

Client Name Printed Client Signature Date

Agency Approval

I hereby certify that due diligence has been completed to ensure that funding is not duplicated.

_____ _____

Staff Signature Date

Appendix C: Housing Habitability Standards Checklist

Housing Habitability Standards

Instructions: Place a check mark in the correct column to indicate whether the property is approved or deficient with respect to each standard. The property must meet all standards in order to be approved. A copy of this checklist should be placed in the client file.

Approved	Deficient	Standard (24 CFR part 576.403(c))
		1. *Structure and materials*: The structure is structurally sound to protect the residents from the elements and not pose any threat to the health and safety of the residents.
		2. *Space and security*: Each occupant is provided adequate space and security for themselves and their belongings, and is provided an acceptable place to sleep.
		3. *Interior air quality*: Each room or space has a natural or mechanical means of ventilation. The interior air is free of pollutants at a level that might threaten or harm the health of residents.
		4. *Water Supply*: The water supply is free from contamination.
		5. *Sanitary Facilities*: Residents have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
		6. *Thermal environment*: The housing has any necessary heating/cooling facilities in proper operating condition.
		7. *Illumination and electricity*: The structure has adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There are sufficient electrical sources to permit the safe use of electrical appliances in the structure.
		8. *Food preparation*: All food preparation areas contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
		9. *Sanitary condition*: The housing is maintained in sanitary condition.
		10. Fire safety: a. There is a second means of exiting the building in the event of fire or other emergency. b. The unit includes at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors are located, to the extent practicable, in a hallway adjacent to a bedroom. c. If the unit is occupied by hearing-impaired persons, smoke detectors have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person. d. The public areas are equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, day care centers, hallways, stairwells, and other common areas.
		11. Meets additional recipient/subrecipient standards (if any).

CERTIFICATION STATEMENT

I certify that I have evaluated the property located at the address below to the best of my ability and find the following:

☐ Property meets all of the above standards.

☐ Property does not meet all of the above standards.

COMMENTS:

Program Participant Name: _

Street Address: _____ Apartment #: _

City: _ State: _ Zip: __

Evaluator Signature: _ Date of review:

Evaluator Name:

Approving Official Signature (if applicable): Date:

Approving Official Name (if applicable):

Appendix D: Rent Reasonableness Checklist

RENT REASONABLENESS CHECKLIST

The rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units. 24 CFR 574.320 (a)(3).

	Proposed Unit	Comp. Unit #1	Comp. Unit #2	Comp. Unit #3
Client:				
Address				
Number of Bedrooms				
Location/Neighborhood/ Amenities				
Utilities (type)				
Handicap Accessible?				
Unit Rent (which utilities included)				
Comments:				

Rent Reasonableness

Based upon a comparison with rents for comparable units, I have determined that the proposed rent for the unit_____IS NOT reasonable.

Name:_____Signature:_____Date: _____

Appendix E: SAMPLE Contract Scope of Work

Scope of Work

Requirements for the Emergency Solutions Grant Grantee:

- Somerville-Arlington CoC has merged with the Balance of State CoC. Grantee must actively attend the approx. monthly Balance of State Planning Group meeting and participate in other Balance of State committees dedicated to one or more of the following topics: Youth, Veterans, Coordinated Entry, Domestic Violence, HMIS, Racial Disparities Task Force, or other newly formed Balance of State Committees. Grantee should attend quarterly Somerville-Arlington provider group meetings.
- Grantee must participate in Coordinated Entry as required by HUD and as coordinated by the Balance of State CoC.
- Grantee will attend any ESG related trainings, and any Balance of State CoC trainings regarding Coordinated Entry. Dates of meetings/trainings will be emailed to Grantees.
- 100% of clients served in the program must be homeless, or at risk of becoming homeless, as defined by HUD, depending on the Program.
- Data Collection and HMIS Participation:
    - Agency will follow the Balance of State CoC's HMIS Policies and Procedures.
    - Agency will allow Balance of State's HMIS Lead agency to access HMIS data to review information for data quality checks and research/reporting purposes. Victim Service Providers (VSPs) that currently hold a contract with a Vendor for a HMIS Comparable Database product that is certified for use by the HMIS Lead may continue to use said product. VSPs that do not currently hold a contract for a certified HMIS Comparable Database will be strongly encouraged to obtain one. All agencies will generate unduplicated aggregate reports from their data.
    - Agency shall write, adopt, and abide by written policies and procedures which assure that the privacy of all ESG eligible participants is protected, without impacting Agency's provision of Program Activities.
    - Agency shall obtain explicit consent from all ESG eligible program participants before collecting HMIS required Data Elements. In the event that the Agency is unable to obtain explicit consent from the ESG eligible program participant, the Agency shall de-identify data into an anonymous client record that fulfills the data collection requirements detailed throughout this section.
    - The Agency shall not refuse service to any ESG eligible individual or family solely because that individual or family refuses to participate in HMIS data collection.
    - ESG Program regulations require that each Agency/Organization receiving ESG funds must collect, record, and make available to OSPCD data that is necessary to determine: (1) the number of unduplicated homeless individuals and families and individuals and families at risk of homelessness accessing services; (2) demographic characteristics of homeless individuals and families and individuals and families at risk of homelessness; (3) patterns of service use within the community.
- Grantee will complete quarterly HUD reports, close-out form and additional reports as required by HUD. HUD reports should be pulled from HMIS, or comparable database for victim service providers.
- Will submit to OSPCD quarterly a report on a form entitled "Emergency Solutions Grant

Progress Report," attached hereto as Appendix D. In the narrative section of the Progress Report, report on the transition to independent living of the clients served through this contract.

- Agreements will identify programming in four (4) ESG eligible areas: Shelter Operations, Homelessness Prevention, Rapid Re-housing, and HMIS.
- Reports will be performance-based on four (4) performance objectives corresponding to ESG information tracked in HMIS. Performance objectives include: Percentage discharged to permanent destination, Percentage of clients with income increased or maintained at discharge, Percentage of clients with increased or maintained mainstream resources, and Average length of stay for clients exiting to permanent housing. Grantee will document the outcomes of each objective in the HUD reports submitted.
- Will guarantee confidentiality of program records and will maintain records for four years.
- Create opportunities for clients to participate in policy making functions of the organization.
- Listing of allowable activities for both Homelessness Prevention and Rapid Re-housing components – FINANCIAL ASSISTANCE can be moving costs, rent application fees, security deposit, last month's rent, utility deposit, utility payments and SERVICES can be housing search/placement, housing stability case management, mediation and legal services, and credit repair/budgeting/money management.
- Listing of allowable Rental Assistance for both Homeless Prevention and Rapid Re-housing components – Short-Term is up to 3 months and Medium-term is 4 to 24 months. Rental assistance can be granted for up to 24 months during any 3 year period.
- Standards for both Homelessness Prevention and Rapid Re-housing components. Rental units must meet Fair Market Rent limits, rent reasonableness, minimum habitation standards, rental assistance agreement and lease. No rental assistance will be provided to a household who is receiving assistance from another source for the same time period.
- All clients receiving rental assistance must have a one-year lease.

A. Activity Description: The Grantee shall provide Shelter Operations, Rapid Re-housing, Homelessness Prevention, and HMIS host as outlined in HUD's Homelessness Resource Exchange website in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act and ESG Interim Rule.

B. National Objective: The activity is limited to serving homeless or at risk of homelessness and will exclusively benefit a set of clientele who are generally presumed by HUD to be principally L/M income persons. The sub- grantee will ensure that ESG funded services will be provided only to clients identified in this agreement. Services provided to other clients will not be eligible for reimbursement.

C. Project Outcomes: The sub-grantee shall provide the following through service:

<u>Emergency Shelter Operations and Essential Service</u>

1. Staff and provide upkeep and maintenance at the shelter (_____units) located at _____. Over the contract year, the vendor expects to serve _____clients annually, depending on the clients' length of stay.

2. Furnish shelter and provide food, clothing, support services and other essential services to promote independent living by clients.

3. Collaborate with area shelters in case management of clients as they move from shelter living to transitional housing and ultimately to secure permanent housing.

Rapid Re-housing (Financial Assistance and Services)

4. For ____clients yearly who meet the criteria of the homeless definition as defined by HUD, who are literally homeless. Funds can be used to help homeless individuals and families move into permanent housing and achieve housing stability. (Serve approx. ____households) (Approx. $ _____per household)

5. Eligibility activities include housing relocation and stabilization services and short- and medium-term rental assistance.

Homelessness Prevention and Legal Services (Financial Assistance and Services)

6. For ____clients per contract period who are homeless or at-risk of becoming homeless and at or below 30% area median income. Funds can be used to prevent individuals and families from becoming homeless or to help an individual or family regain stability in their current housing or secure other permanent housing. (Serve approx. ____households) (Approx. $_____per household).

7. Eligibility activities include housing relocation and stabilization services and short- and medium-term rental assistance.

Homeless Management Information System (HMIS) Host

9. Hosting, maintaining, enhancing, and conducting training on using HMIS and reporting.

10. Eligible activities include salaries of HMIS operation, obtaining technical support, office space, utilities, and equipment.

Report

11. The sub-recipient is responsible to provide the city in a timely manner with the annual client data in the format that can be downloaded to HUD and comply with the HUD reporting format for the CAPER.

12. Submit to OSPCD quarterly a report on a form entitled Emergency Solutions Grant Progress Report attached hereto as Appendix D. In the narrative section of the Progress Report, report on the transition to independent living of clients served through this contract.

Appendix F: SAMPLE Contract Budget

Budget

Program Budget $_____

The City will reimburse the Vendor for eligible costs related to shelter operations, homeless prevention, rapid re-housing and HMIS reporting in the following amounts:

Shelter Operations and Essential Services (to include but not limited to $_____ rent, utilities, maintenance, food, furnishings, insurance, supplies, case management, life skills, education, employment assistance, etc.)

Rapid Re-Housing (to include but not limited to Financial Assistance - $_____rent/fees, security deposits/payments, last month's rent, utility deposit/payments, Short-Term Rent and Medium-Term Rent, and Housing Stabilization Services – housing search and placement salaries and fringe, equipment, furnishings, agency rent, etc.)

Homelessness Prevention (to include but not limited to Financial Assistance $_____ rent/fees, security deposits/payments, last month's rent, utility deposit/

payments, Short-Term Rent and Medium-Term Rent, and Housing Stabilization Services – housing search and placement salaries and fringe, equipment, furnishings, agency rent, etc.)

HMIS Host (to include but not limited to data collection salary and fringe, $_____ consumables, consultant, consumables, equipment/furnishings, data training costs, etc.)

Massachusetts Balance of State CoC (MA-516) Rapid Re-housing Written Standards

Commonwealth of Massachusetts
Executive Office of Housing and Livable Communities
Division of Housing Stabilization

Last edited: 12.16.24

INTRODUCTION

EOHLC, the ESG recipient for the Commonwealth of Massachusetts and collaborative applicant for the Massachusetts Balance of State CoC (MA-516), have developed the following written standards, which are applicable to all Rapid Re-Housing projects that receive Continuum of Care (CoC), Emergency Solutions Grant (ESG), or Youth Homelessness Demonstration Program (YHDP) funds and operate within the MA BoS CoC.

This document is meant to work in tandem with the Written Standards, and Policies and Procedures for ESG and CoC Funded Programs (most up to date version can be found under Additional Resources section here) and the BoS CoC Coordinated Entry Policies and Procedures (link once on website).

As a complement to those documents, these written standards will focus on spelling out ways in which RRH functions specifically in the Balance of State CoC. These could be ways in which the BoS CoC has decided to specify, further detail, or make narrower RRH guidance that is provided by HUD. This document will focus on how RRH functions uniquely to the BoS CoC, and address topics not already clarified in the two policy and procedure documents listed above.

For RRH policies not specific to the BoS CoC, providers should defer to HUD guidance and regulation. Providers are expected to review the content of these written standards as well as the linked documentation so that they are aware of all expectations related to running a RRH project.

These written standards are intended to set basic, minimum requirements. Providers are permitted to build upon these expectations and establish more specific standards applicable to their own projects, so long as those standards are informed by equity and maintain a Housing First philosophy. Projects remain bound by the terms of the programs under which they are funded and nothing in these standards should be construed to relieve projects of this responsibility. In addition, all RRH projects must comply with the applicable Notice of Funding Availability (NOFA) under which the project was originally awarded.

Note that RRH programs are subject to differing requirements, depending upon the funding source of the program, and this document points out the details of these programmatic differences.
For program differences between ESG, CoC, and YHDP funded RRH projects please use the following resources:

- ESG and CoC Virtual Binders
- Rapid Re-Housing: ESG vs CoC tool provided by HUD
- The ESG and CoC Interim Rules
- Along with specific ESG and/or BoS CoC RRH Policy and Procedures

PROGRAM ELIGIBILITY

Households who fit the following categories are eligible for RRH. Please refer to the HUD homeless definitions here.

	Initial Evaluation			Re-Evaluation		
	ESG-RRH	CoC-RRH	YHDP-RRH	ESG-RRH	CoC-RRH	YHDP-RRH
Literally homeless (Category 1)	X	X	X			
Imminent risk of homelessness (Category 2)			X			
Homeless under other Federal statutes (Category 3)						
Fleeing/attempting to flee domestic violence (Category 4)	X*	X	X			
Income Evaluation Required				X		
Need (amount and type of assistance)	X			X		
Lacking Resources and Support Networks				X	X	X

* Eligible only if also literally homeless (Category 1)

It is the responsibility of the provider to confirm and document eligibility for all programs prior to providing services ("Initial Evaluation" in table above). State funded ESG projects are meant to serve individual adults experiencing homelessness. CoC projects may serve households with children as well as individuals. YHDP projects must serve youth (18-24 years of age) households. Entitlement Community funded ESG may have their own requirements.

Re-Evaluation requirements in the table speak to the annual re-evaluation HUD requires of RRH programs.

Coordinated Entry Eligibility – Because RRH projects fill vacancies with referrals through the Coordinated Entry system, households must be eligible to be added to the Coordinated Entry (CE) project in order to be considered. Please refer to the BoS Coordinated Entry Policies and Procedures to determine which households are eligible to be added to the BoS CE project.

COORDINATED ENTRY

It is required that all ESG, CoC, and YHDP-funded RRH projects within the Balance of State CoC fill their vacancies with households that are referred through the BoS Coordinated Entry system. All vacancies must be reported in VESTA by RRH providers – this is done by

completing an Available Units Form. Once reported, the appropriate Regional Navigator will begin the process of identifying an eligible household for referral.

The Regional Navigator will do a preliminary check to confirm the household is interested in moving forward with the program. They will also collect documentation that shows the household is likely eligible. Once a RRH provider receives a referral, it is ultimately the provider's responsibility to 1) make sure the household knows the details of the program and wants to enroll, and 2) confirm eligibility, including approving and retaining eligibility documentation.

Please refer to the BoS CE Policies and Procedures for further information on:

- CE Eligibility (including Geographic Tie requirements)
- Which households will be referred for RRH assistance
- CE Referral Process

CORE COMPONENTS OF RRH

The BoS requires all RRH providers to offer all three components of RRH listed below, depending on household need. The components are:

Housing Search

Housing placement, landlord engagement and mediation are essential parts of a successful Rapid Re-housing program. Regardless of program structure, program staff are expected to be an active partner in housing search, providing the level of support necessary to help participant households obtain housing. The process of locating housing should be supported by staff unless the program participant does not want support. Providers can determine how best to align staffing to meet local needs. Utilizing grant funds for broker fees is one way to expand services to clients without increasing staff numbers.

Program staff should discuss tenants' housing needs, location preferences, and other details upon program entry. Staff should consider tenant screening barriers, which reduce a household's ability to obtain housing because of landlord criteria and screening. Examples include poor credit, history of evictions, household size, and criminal history. Housing retention barriers, which reduce a household's ability to retain housing, must also be considered. Examples of retention barriers include paying rent in full and on time, caring for the unit, following lease terms, and interacting with the landlord. Housing placement staff can assist participants by educating them on landlord tenant law and discussing quiet enjoyment. Identifying needs and addressing potential barriers are the best way to ensure a successful housing placement.

In order to successfully place program participants in housing, programs are encouraged to do assertive landlord engagement. Where possible, a coordinated landlord engagement strategy across the CoC or community is encouraged to reduce duplication and increase the speed at which program participants can be placed in housing. However, landlord engagement does not stop at placement. Services need to be responsive not only to tenants but also to address landlord concerns if they arise. Ensuring open communication and helping to mediate is essential to maintaining landlord relationships. In situations where a program participant is facing a threat of eviction, the agency should intervene to create a landlord mediation plan/stabilization plan to prevent eviction.

Households in CoC-funded RRH that is Tenant-Based Rental Assistance (TBRA) can lease up outside of the CoC geography, though the BoS CoC encourages RRH providers and households to look within the CoC. For state-funded ESG RRH projects, there are no location requirements on where eligible participants may lease up/move too. Participant choice should be taken into account when determining the geographic location housing search is being conducted. Entitlement Community funded ESG may have their own location requirements that should be taken into account. Projects may limit their program to a certain service area as long as it is communicated and approved by EOHLC.

Financial Assistance

Following a progressive engagement approach, RRH providers must be open to assisting eligible households with financial assistance including upfront move in costs, rental assistance for up to 24 months, security deposits, etc. Please note that all RRH projects must be open to providing the full 24 months of assistance if that is what the household needs. Program participants must pay, at minimum, 30 percent of the household's monthly adjusted income towards rent, and the program may utilize a progressive engagement model to increase rent for the purpose of preparing the household to maintain full rent upon exit from the program. Programs may pay the full amount for upfront moving costs and moving assistance. Different costs are eligible under ESG and CoC, so it is important to ensure each program is only paying costs that are allowable.

All RRH cases (with the exceptions of 1- start-up only referrals that are part of the pilot program and 2- those with subsidies like a voucher) should be offered start-up cost assistance along with a minimum of 3 months of rental assistance to begin. Every 3 months the provider and participant should meet to determine what ongoing financial assistance is needed. Progressive Engagement should be used to determine the amount of rent each RRH program participant must pay each month while enrolled. Progressive Engagement should also be used to determine the duration of assistance. Using this approach, programs are expected to provide the least amount of financial assistance possible to achieve stable housing. As a best practice to support this structure, the CoC recommends collecting income documentation every 6 months.

RRH agencies should make participants aware at program entry that any income changes must be reported within ten business days. When an income change is reported, the agency should determine how that change affects the overall picture and if/how the household's rental assistance amount should be adjusted.

There is no limit on the number of times an eligible participant may re-enroll in RRH, however past attempts at RRH should be taken into account when determining the intensity of additional support.

Stabilization Case Management

Supportive Services are an essential element of a successful RRH program. The goal of these services is to help households stabilize, provide tenancy supports, and connect them to services to ensure long-term housing stability. As much as possible, programs should determine how to seek and integrate feedback from program participants and others with lived experience into the program model. Specifically, programs should aim to incorporate the following service elements and best practices:

- Trauma-Informed Care
- Housing First/Housing-Focused
- Client-Driven and Flexible
- Evolving Focus
- Progressive Engagement

Providers should be meeting with program participants at minimum once a month for the duration of assistance. These meetings can take place in person (office and/or home visit), out in the community, or virtually through phone calls/text/email. However, a program participant cannot be evicted or terminated from a program for not meeting with their case manager.

RRH ALLOWABLE ACTIVITIES

For specific allowable activities and costs please refer to the following comparison document created by HUD along with ESG and CoC Virtual Binders. For further information, see interim rule documents linked at beginning of this document.

RRH PROGRAMMATIC GUIDELINES

Income

It is recommended that income be reviewed at intake to evaluate a client's resources and determine the level of assistance that will be the most helpful, but this is not required. As a best practice it is recommended that income be collected every 6 months to inform program of future

service needs. For ESG projects only, income must be gathered one year from enrollment and household must be under 30% AMI to continue being enrolled.

Re-evaluation Requirements

CoC Rapid Re-Housing

Each CoC-funded RRH provider of assistance must conduct an ongoing assessment of the supportive services needed by the participants enrolled in the project, the availability of such services, and the coordination of services needed to ensure long-term housing stability and must adjust, as appropriate. This assessment is recommended to be completed regularly, but at a minimum, must be done annually.

ESG Rapid Re-Housing

Each ESG funded provider must re-evaluate the program participant's eligibility and the types and amounts of assistance the program participant needs not less than once annually for program participants receiving Rapid Re-housing assistance.

At a minimum, each reevaluation of eligibility must establish that the program participant does not have an annual income that exceeds 30% of median family income for the area, as determined by HUD, and that the program participant lacks the resources and support networks necessary to retain housing without ESG assistance.

When determining the annual income of an individual or family, the provider must use the standard for calculating annual income under 24 CFR 5.609.
The recommended income calculator can be found here.

RRH Rental Assistance Guidelines

	ESG-RRH Rental Assistance (24 CFR part 576.104)	CoC-RRH/ YHDP RRH Rental Assistance (24 CFR part 578.37(a)(1)(ii))
Housing Standards (Inspection)*	Units must pass HUD Habitability Standards	Units must meet HUD Housing Quality Standards
Fair Market Rent (FMR)	Rental assistance may cover up to the FMR for a unit	Rent reasonableness is the applicable rent standard, FMR not applicable
Rent Reasonableness	Units must comply with HUD's rent reasonableness standards	Units in a structure must comply with HUD's rent reasonableness standards

*Inspections for all HUD funded RRH projects will change to the NSPIRE in October 2025

HUD established FMR's may be found at: http://www.huduser.org/portal/datasets/fmr.html

Note: Exceptions to rent reasonableness and FMR for ESG include assistance with last month's rent and/or assistance with rental arrears in absence of first month's rent and short- or medium-term rental assistance.

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS)

Rapid Re-housing Programs must participate in the Balance of State CoC's HMIS. A Homeless Management Information System (HMIS) is a local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

Costs for participating in the local HMIS are eligible grant expenditures if included in the project budget. Please refer to the sources below to make sure your project is in compliance with system security, training, data quality and any other required elements for participating in HMIS:

- HMIS section of the Written Standards and Policies Procedures for ESG and CoC Funded Programs
- Balance of State CoC's Privacy Plan, Data Quality Management Plan, CoC HMIS Security Plan, and HMIS Governance Charter (Zendesk link embedded)

RRH AS A BRIDGE TO PSH

The BoS CoC recognizes not all households placed into Rapid Re-housing will achieve housing self-sufficiency by the end of the program timeframe. As such, the CoC has created a process for when and how households currently in RRH programs filled through the BoS Coordinated Entry system can be considered for openings in Permanent Supportive Housing (PSH) programs filled through the BoS CE system. Please refer to the Coordinated Entry Policies and Procedures for details.

ENROLLING A PARTICIPANT

RRH projects should enroll households in their HMIS project once the household is able to access services through the project (which includes housing search). Projects must not wait until a household is housed to enroll them. "Per Section 3.10 Project Start Date" of the HUD HMIS Data Standards Manual:

"To be admitted indicates the following factors have been met:

1. Information provided by the client or from the referral indicates they meet the criteria for admission;
2. The client has indicated they want to be housed in this project; and
3. The client is able to access services and housing through the project. The expectation is the project has a housing opening (on-site, site-based, or scattered-site subsidy) or expects to have one in a reasonably short amount of time."

ADDENDUM 1: START UP COST ONLY CASES

The Balance of State CoC will implement a three-month pilot initiative where CoC and ESG RRH projects are allowed to provide start-up cost assistance alone, if that is all that the household needs and already has a unit identified. These households are only eligible for upfront move-in costs and one month of light-touch case management. They are not eligible for any ongoing rental assistance. All of these households should be exited from the RRH project one month after move-in date.

Eligible startup costs are first month's rent, last month's rent, moving costs, and broker's fee. Case managers should look to RAFT and other larger start-up cost assistance projects first to see if they are an option. Because there are EOHSS funds available for youth start-up costs, YHDP RRH projects should not be utilizing YHDP RRH funds for clients solely in need of start-up cost assistance.

CE Policies and Procedures outline the process for how households are selected and prioritized for start-up cost only assistance.

This pilot initiative will begin as soon as necessary changes to the BoS CoC's HMIS database are completed to support it. The CE Lead will communicate to RRH providers and Regional Navigators at that time about the pilot initiative beginning.