

City of Portland Strategy

HOUSING ACCESS & STABILIZATION: PREVENTION & RAPID RE-HOUSING

The goals of these programs are to assist households that are homeless to obtain permanent housing and to assist households at risk of homelessness to maintain permanent housing.

HOMELESSNESS PREVENTION AND RAPID REHOUSING NEEDS

There is a rising demand for homelessness prevention and rapid re-housing services from both individuals and families. These services address a number of barriers low-income individuals and families face that increase their risk of homelessness or prevent them from becoming rapidly re-housed after an episode of homelessness, including:

- Lack of income to pay monthly rent, utilities, etc., including such costs in arrears
- Lack of funds to pay initial move-in costs
- Inability to retain housing over time
- Involuntary displacement due to economic gentrification

One of the key factors behind the increase in homelessness is housing cost burden, or “rent burden.”

Federal policy recommends that a household should not pay more than 30% of its gross income on housing costs. Households with rents that exceed this affordability standard frequently have to choose between paying rent/mortgage and purchasing other necessities like food and health care. Any crisis, from a medical emergency to job loss, can put a household with an extreme rent burden at risk of homelessness. (Refer to the cost burden table in the Housing Needs Assessment chapter.)

A recent evaluation of the Short Term Rent Assistance (STRA) Program, administered by the Housing Authority of Portland, supports the need for short-term rent assistance. Every agency that administers STRA funds exhausts its funds shortly after receiving them, and continues to turn away households requiring assistance.

HOMELESSNESS PREVENTION AND RENT ASSISTANCE DESCRIPTION

The program provides flexible funding to community-based agencies for short- and medium-term, deep and shallow rent assistance. These agencies provide financial assistance to clients facing eviction, and to households that are already homeless, so that they can obtain safe and decent housing off the streets and outside of the shelter system. Sometimes this will help re-house someone who is awaiting approval for long-term housing/rental assistance, such as Public Housing, Section 8, or McKinney-Vento funded Supportive Housing Program (SHP) or Shelter + Care.

Funding covers expenses such as move-in and move-out; first and last month’s rent and security deposits; short- and medium-term monthly rent and/or utility assistance (full or partial,

including such costs in arrears); and other related expenses. Funds may not be used to subsidize other rental assistance programs such as Section 8.

The program also provides supportive services to participants who need help and intervention to obtain or maintain current suitable housing and/or to avoid displacement or eviction. Supportive services include linking clients to other community service providers who may be able to help participants overcome barriers to obtaining or maintaining housing.

Efforts are made to provide culturally appropriate services that will engage people with diverse backgrounds and needs.

PROGRAM TOOLS

- Flexible funds for short-term rent assistance and related expenses
- Supportive services

PROJECT SELECTION

Home Forward (the new name for the Housing Authority of Portland) administers the Short Term Rent Assistance Program (STRA). At the time STRA was created, Home Forward held a competitive RFQ/RFP procurement process to identify the provider agencies that would distribute the funds to households in need. Home Forward selected 19 agencies. Home Forward is currently conducting a new RFP in to select provider agencies for a five-year period beginning in July 2012.

Selection criteria is included in the RFP materials. Consistent with the previous RFP, each applicant will be asked to:

- Identify the population it intends to serve;
- Demonstrate its experience with serving the identified population;
- Describe the needs of the identified population;
- Demonstrate adequate funding for supportive services;
- Describe funding sources for supportive services;
- Provide commitment letters from the service funding sources;
- Describe how interventions will be conducted;
- Describe how an individual or household's need for services will be assessed; and
- Describe how post-placement assistance will be provided.

PROGRAM ELIGIBILITY

Agencies that serve individuals, couples, and families with a gross household income below 50% MFI at the inception of assistance are eligible to apply for funds.

To receive short-term rent assistance and services, project participants are screened to ensure that they meet certain criteria at the inception of assistance:

- Household income at/below 50% MFI;
- Not already receiving Section 8 or other long-term financial assistance for permanent housing; and

- Homeless or at risk of homelessness

The Emergency Solutions Grant (ESG) Interim Rule includes additional, more stringent limitations on eligible activities, recipients, and units. Draft FY2012-13 policies and procedures for rapid re-housing assistance responsive to this interim rule are attached as Exhibit A, and will apply only to the administration of ESG funds within this strategy.

POTENTIAL BARRIERS

- Limited funding for short-term rent assistance
- Insufficient funding for housing services to support housing success
- Insufficient funding for case management services that assist in the coordination and delivery of housing services.
- A decline in vacancy rates, reducing the likelihood that housing owners and managers will rent to individuals who do not meet standard tenant criteria.

PARTNER AGENCIES AND ORGANIZATIONS

Home Forward: administers STRA, a tenant-based short-term rent assistance program

Multnomah County Human Services: partner in STRA

City of Gresham: partner in STRA

Many community-based non-profit agencies currently participate in STRA, providing shallow rent assistance, move-in costs, security deposits, and other flexible financial assistance to support households at or below 50 % MFI in permanent housing.

COMPLEMENTARY LOCAL, REGIONAL AND NATIONAL EFFORTS

Homelessness prevention and rapid re-housing activities were key components of the American Reinvestment and Recovery Act. HUD's published Emergency Solutions Grant Interim Rule intends to realign the to carry out these critical activities. These activities are also key components of the local ten-year plan: *Home Again: A 10-Year Plan to End Homelessness in Portland and Multnomah County*, other local 10-Year Plans, and Oregon's 10-Year Plan.

GEOGRAPHIC SERVICE AREAS (INCLUDING AREAS OF LOW-INCOME FAMILIES AND/OR RACIAL/MINORITY CONCENTRATION)

Prevention and Rapid Rehousing services are available county-wide.

MONITORING

A description of PHB's Monitoring program is in Section One.

Exhibit A – Draft Written Standards for Provision of ESG Assistance

- ✓ **Eligible Participants:** Household must be homeless as defined below, and lack the financial resources and support networks needed to obtain immediate housing or remain in existing housing without ESG assistance. Household needs to be at or below 30% AMI, must be recertified annually, and must meet with a case manager not less than once per month while receiving assistance.
- ✓ **Eligible Expenses:** ESG can be used to provide rent assistance, rent arrears, application and move-in fees, utility assistance, utility arrears, security and utility deposits, last month's rent, moving costs and limited storage. ESG may be used to pay application fees and move-in fees if they are directly related to obtaining housing for eligible ESG participants and they are required by the landlord as a condition of occupancy.
- ✓ **Term and Level of Assistance:** Rent and utilities-up to 24 months in any 3-year period; rent and utility arrears-up to 6 months which counts against the total limit of 24 months; storage is limited to 3 months; deposits are limited to two months' rent. Within these limits, agencies have broad discretion to determine the type, amount, and duration of assistance to any specific households. Such determinations should be based in collaborative assessment of household needs and reflective of household's permanent housing stability plan and STRA system-wide housing retention goals.
- ✓ **Eligible Units:** Unit must be rent reasonable and rent cannot exceed the Fair Market Rent. The property owner must enter into a lease with the tenant *and* a rental assistance agreement with Home Forward. Unit must meet minimum habitability standards. The unit must pass a lead-based paint visual assessment if the unit was built before 1978 and there's a child under 6 and/or a pregnant female in the household. STRA agencies cannot conduct initial eligibility assessments for households that later reside in ESG-assisted housing owned by the STRA agency.
- ✓ **Billing:** Monthly, agency should bill Home Forward using a Reimbursement Request form provided by Home Forward. Bills should be submitted by the 15th of the month. All bills within a quarter must be submitted by 15 days after the quarter ends or your agency may not be reimbursed for those billings.
- ✓ **Monitoring:** All agencies will be monitored during the 2012-2013 fiscal year. The following will be reviewed:
 - Required documents in client files
 - If your agency is using internal staff to complete inspections and lead visual assessment, staff qualifications will be checked

1. **Client Eligibility**

- **Rapid Rehousing**

- Initial consultation must be conducted
- Household income must be at or below 30% Area Median Income
- HH must be homeless and have assessment that concludes the household lacks the financial resources and support networks needed to obtain immediate housing or remain in existing housing
- For purposes of eligibility for ESG Rapid Re-housing assistance, “Homeless” means:
 - (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - (iii) An individual who is exiting an institution where he or she 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
- Beyond these eligibility restrictions, agencies may retain broad discretion for determining which eligible client households to serve with ESG resources. Such decisions should be made in compliance with written agency policy and procedure, fair housing law and the STRA program’s “no wrong door” policy. Decisions should also reflect the agency’s stated target populations and service levels described in their STRA program application and contract, and should be made in consideration of other available resources within and external to the agency to serve eligible households. In general, the documentation burden associated with ESG funds is such that agencies may wish to reserve these resources for households that are likely to require longer periods of medium-term rent assistance.

- **Eligibility checks for Households**

Beginning in January 2014, STRA agencies must conduct the following eligibility checks:

ESG limits households to 24 months of rent and 24 months of utility assistance in any three-year period. Additionally, ESG limits rent and utility arrears to 6 months of assistance. In order to make sure a household does not exceed these limits, new ESG clients will require an eligibility check with the Portland Housing Bureau if the household has received rent or utility assistance from another STRA agency in the previous 18-months.

When a new household comes to your agency and you are screening them for eligibility, you must ask the household if they have received rent or utility assistance from any other agency/organization in the last 18 months.

If they have not, you don't need to do anything more. If they say they have, contact Hunter at the Portland Housing Bureau. He will check ServicePoint to see if the household has been served by another agency with ESG funds and if they have remaining ESG eligibility. Hunter's phone number is (503) 823-2381. If you cannot reach Hunter, call Wendy Smith.

Please begin checking eligibility only from January 1, 2014, forward. Prior to that point, it is not necessary.

Remember, this eligibility check is only required if the household has received rent or utility assistance from another agency in the last 18 months. It is not required for all households.

- **Housing stability case management**
 - While providing ESG rapid re-housing assistance to a household, you must require the household to meet with a case manager not less than once per month to assist the household in ensuring long-term housing stability; and
 - Develop a plan to assist the household to retain permanent housing after the ESG rent assistance ends
 - The plan should address client-level needs for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers

- **Recertification**
 - Recertification is required no less than annually. You may choose to recertify the prior to the end of the first year of the assistance as long as the client is recertified at least annually.
 - At recertification,
 - Complete all supporting documentation [forms currently under development]
 - Document ongoing barriers to stable housing (you do not need to get third party documentation)
 - Please note that in situations where there is a break in assistance, the household must be re-evaluated as if they were going through an initial consultation

Information Required

Documentation

Proof of Initial Consultation	[All required documentation currently under development]
Income Documentation	
Assessment concluding household lacks financial resources and support networks needed to obtain or remain in housing	
Documentation of homelessness	
Release of Information	
Proof of eligibility re-certification at least annually	
Documentation of housing stability case management and permanent housing plan	
Other required documents	

2. **Eligible Services**

- **Rental assistance**
 - Guidelines regarding rent payment
 - Agencies can pay up to 24 months of rent payments in a 3-year period
 - "Last month's rent" – if paid as part of an initial deposit - is a separate eligible service (see below), *not* Rental Assistance.
 - Up to 6 months of the 24 month limit can be rent arrears if the payment is necessary to enable the program participant(s) to move in to an eligible rental unit.
 - ESG funds may be used to pay for late fees associated with rent or utility arrears, as long as the payment enables the program participant become re-housed. However, ESG funds may not be used to pay for damage costs incurred by the tenant.
 - Two levels of rent assistance:
Short Term: 1-3 months
Medium Term: 4-18 months
 - No mortgages can be paid
 - General information regarding rental assistance
 - Rental assistance cannot exceed the actual cost of rent which must be in compliance with rent reasonable standards and cannot exceed the Fair Market Rent
 - For the purposes of ESG, the payment becomes arrears when it is paid after the month for which it is due. If you are providing rental assistance on April 15th for April rent, the service type is rent even if the rent was due on April 1st. If you are providing rental assistance on May 2nd for April rent, then the service type would be rental arrears. Rent arrears assistance should always be in one month increments rounding up in the event that you are only paying a partial month of rent arrears.
 - In order to pay rent arrears, the agency must have the signed lease of the unit where the arrears were incurred and must make sure the rent meets the rent reasonable and Fair Market Rent requirements.

- Agency can pay 100% of rent costs or can choose to pay graduated or declining amounts. Similarly, agency can provide up to the maximum number of months of assistance or may choose to provide fewer months. Such decisions should be made in collaboration with the assisted household and reflective of assessed needs and the household's permanent housing stability plan. Agencies are strongly encouraged to work actively and collaboratively with assisted households to determine the least amount of assistance necessary to maintain housing stability and provide only that level of support.
 - Client/household must have a signed lease/rental agreement in place
 - Not all adult household members must be on the lease. However, the head of household must be on the lease, and all household members must be included in eligibility determinations.
 - All household members on the lease must be screened for eligibility even if unrelated.
 - If the lease expires, it must have a clause addressing the continuance of the agreement to a month to month arrangement. If the lease doesn't contain such a clause, in order to confirm that the automatic renewal is current and still in place, agency staff must request either a current lease or a statement from the landlord confirming that the lease and automatic renewal remain in force.
 - The property owner must enter into a Rental Assistance Agreement with Home Forward (See [document currently under development]).
 - Payments must be made to a third party but cannot be paid to collection agencies or other third-party debt collectors
 - Agencies CANNOT use ESG to pay the current tenant portion of subsidized rent. However, ESG CAN be used to pay rental arrears of the tenant portion of subsidized rent.
 - Other than late fees associated with arrears, late fees cannot be paid with ESG funds
 - ESG funds cannot be used to pay for damages to a unit
- Unit Requirements
- Must pass rent reasonable test (See [document currently under development] for instructions and calculation worksheet)
 - Rent cannot exceed the Fair Market Rent. Rent includes monthly rent, any fees required for occupancy under the lease (other than late fees or pet fees), and, if the tenant pays separately for utilities, the monthly utility allowance (See [document currently under development] for instructions and calculation worksheet)
 - Must pass lead based paint visual assessment if unit was built before 1978 and there's a child under the age of 6 and/or a pregnant female in the household (See [document currently under development])
 - Must meet habitability standards (See [document currently under development]).
 - Note: If Home Forward inspects the unit, the Home Forward inspector will do both the lead-based paint visual assessment and check the habitability standards.
 - A habitability standards check and/or the lead-based paint assessment must be completed annually. If Home Forward inspects the unit, the unit must be inspected annually.
 - STRA agencies cannot conduct initial ESG eligibility assessments for households that later reside in ESG-assisted housing owned by the STRA agency.

Information Required

Documentation

Written Rental Agreement / Lease	[All required documentation currently under development]
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Rental Assistance Agreement between property owner and Home Forward	
Documentation that unit is rent reasonable	
Documentation that rent does not exceed Fair Market Rent	
Lead-based paint statement of disclosure	
Lead-based paint statement of receipt	
Proof unit has passed lead-based paint visual assessment if the unit was built before 1978 and there's a child under age 6 and/or a pregnant female in the unit	
Proof unit meets habitability standards if your agency has placed the household into a new unit	
If Home Forward is doing the inspection, proof the unit passes inspection	
Client assistance information	

- **Utility Assistance**

- Households can receive up to 24 months of utility payments in a 3-year period.
- Up to 6 months of the 24 month limit can be utility arrears. For the purposes of ESG, the payment becomes arrears when it is paid after the month for which it is due. Utility arrears assistance should always be in one month increments rounding up in the event that you are only paying a partial month of utility arrears.
- In order to pay utility arrears your agency should have the following: utility bill(s), proof that the ESG applicant is responsible for the utility payments, and the length of time the utility payment covers.
- If a household is determined eligible for ESG rental assistance, it is appropriate to identify an assistance plan that includes payment of both rent and utilities-even in the absence of a utility shut off notice. Agency staff should include documentation in the case file (case notes are fine) why payment of the utilities is necessary (for instance the household has no resources to pay utilities and/or any existing income must be used for other household needs such as food) and how it will help to achieve the goal of stabilizing the household.
- Eligible utilities include gas, electric, water, sewage. Garbage and other heating utilities are not eligible.
- If ESG funds are used to pay utilities during a month, more than one utility can be paid (for instance the agency could pay both water and electricity if the household was eligible for both and each was paid with ESG funds only). When determining the "month" of the bill, use the billing cycle dates as the month-you don't have to use a calendar year month.

- Payments must be made to a third party but cannot be paid to collection agencies or other third-party debt collectors
- Program participant or a member of his/her household must have an account with a utility company or proof of responsibility in his/her name to make utility payments (such as cancelled checks or receipts in his/her name from a utility company)
- Agencies can pay late fees and reconnection fees associated with utility arrears

Information Required

Documentation

Proof of utility payment responsibility	Copies of bills, cancelled checks, receipts in his/her name from a utility company; shut-off notice and lease for utility only assistance.
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- **Application and Move-in Fees, Last Month's Rent, and Security and Utility Deposits**

- Agencies can pay application and move-in fees as long as they are directly related to obtaining housing for eligible ESG program participants and they are required by the landlord as a condition of occupancy.
- If last month's rent is required up-front as a condition of occupancy, it may be paid as this type of eligible service – it is not Rent Assistance.
- Security and utility deposits can be paid on behalf of households moving into either subsidized or unsubsidized housing
- Payments must be made to a third party

Information Required

Documentation

Client assistance information	Supporting documents for client assistance amounts and dates of service such as copies of check requests or copies of Home Forward forms or receipts
Documentation that application and move-in fees are required as a condition of occupancy	Written and signed rental agreement or other written documentation of fee requirement

- **Moving Cost Assistance**

- Truck rental
- Hiring a moving company
- Short-term storage fees for a maximum of 3 months or until the program participant is in housing, whichever is shorter. Payment of temporary storage fees in arrears is not eligible.
- Moving costs are eligible for ESG payment only if they are accrued *after* the household begins receiving case management services and *before* the household moves into permanent housing.

Information Required

Documentation

Services procured	Bills from rental company and/or storage unit
Client assistance information	Supporting documents for client assistance amounts and dates of service such as copies of check requests or copies of Home Forward forms or receipts

3. Terminations

Agencies may terminate the assistance of a program participant who violates program requirements. Agencies may resume assistance to a program participant whose assistance was previously terminated. Agencies must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases. In terminating assistance to a program participant, the agency must provide a formal process that recognizes the rights of individuals receiving assistance. This process must, at a minimum, consist of the following:

- Written notice to the program participant containing a clear statement of the reasons for termination;
- A review of the decision, in which the program 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
- Prompt written notice of the final decision to the program participant.

4. How to Access ESG funds

- Document that client/household is eligible, using the guidelines above.
- Document that unit is eligible, obtain documentation of lease and rental assistance agreement and arrange for your agency to make payment
- Agency issues check to landlord, utility company or other eligible institution. Checks may not be written directly to the client/household.
- Monthly, agency should bill Home Forward using a Reimbursement Request form provided by Home Forward. Bills should be submitted by the 15th of the month. All bills within a quarter must be submitted by 15 days after the quarter ends or your agency may not be reimbursed for those billings.

5. Ensure client file includes all of the following:

Proof of Initial Consultation	[All required documentation currently under development]
Income Documentation	

Assessment concluding household lacks financial resources and support networks needed to obtain or remain in housing	
Documentation of homelessness	
Release of Information	
Proof of eligibility re-certification at least annually	
Documentation of housing stability case management and permanent housing plan	
Client assistance information	
Other required documents	
For Rental Assistance:	
Written Rental Agreement / Lease	[All required documentation currently under development]
Rental Assistance Agreement between property owner and Home Forward	
Documentation that unit is rent reasonable	
Documentation that rent does not exceed Fair Market Rent	
Lead-based paint statement of disclosure	
Lead-based paint statement of receipt	
Proof unit has passed lead-based paint visual assessment if the unit was built before 1978 and there's a child under age 6 and/or a pregnant female in the unit	
Proof unit meets habitability standards if your agency has placed the household into a new unit	
If Home Forward is doing the inspection, proof the unit passes inspection	

For Application and Move-in Fees, Last Month's Rent, and Security and Utility Deposits	
Documentation that application and move-in fees are required as a condition of occupancy	[All required documentation currently under development]
For Utility Assistance:	
Proof of utility payment responsibility	[All required documentation currently under development]
For Moving Cost Assistance:	
Services procured	[All required documentation currently under development]