

2021-2022 New York State Rental Supplement Program Plan (Updated 7/19/22)

District: Dutchess County DCFS

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RSP Implementation Date: TBD– expected within 4 months of date of approval

Indicate whether the program will be administered using district mechanisms (e.g., direct administration or transfer of funds to county agencies) or by another public agency, contractor or non-profit organization. Administration of the RSP may be delegated in full or in part. Also indicate whether districts will coordinate with the local HUD-funded Continuum of Care, if applicable.

The district intends to contract with a local non-profit agency to administer the program however the contract will be monitored by a district staff member.

Our district is an active member of the Continuum of Care (CoC) and the development of this plan was completed jointly with CoC staff. As appropriate based on the priority subpopulations identified in this plan, it is the intention of the district to use the CoC's Coordinated Entry System as the primary access point for the Rental Supplement Program (RSP) funds.

Indicate the anticipated RSP supplement amount and the number of households expected to be served in the initial 12-month period. RSP supplement amounts are set at 85% of the local Fair Market Rent (FMR) values with a district option to pay up to 100% of FMR using local funds.

RSP Supplement Amount: \$727,515

Anticipated Number of Households to be Served: 50

The program will provide two supplement options which will have slightly different requirements and will be available based on the client's choice, their eligibility, and the availability of funds. The first option will provide up to 85% of the Fair Market Rent (FMR), and will only use RSP funds, while the second option will combine RSP and HOME American Rescue Plan Program (ARP) funds. The second option has additional requirements driven by the HOME-ARP guidelines. The second level of funding is contingent on an amendment to the County's Action Plan to permit the use of these funds for this purpose will be available for up to 5 years. Ideally, participants would transition to either a more permanent supplemental option or would have achieved self-sufficiency once funds are no longer available.

Option 1: Under the **85% FMR option**, the client may receive a voucher which pays 85% of the FMR if they meet the basic RSP requirements outlined in the 21-LCM-24 and this plan. Eligible participants are those that are experiencing or facing an imminent loss of housing, regardless of immigration status or temporary assistance eligibility. At the time of application, the household earnings must be below 50% of area median income (AMI) based on location and household size. Initial priority will be given to the households with earnings below 30% AMI. At least 50% of the supplement will be allocated to households who are currently in the shelter or experiencing homelessness. The supplement will be provided until the household income reaches a level where their rent is 30% or less of their total income because housing will be considered affordable for the individual/family.

Option 2: Under the **120% FMR option**, the client may receive a voucher which pays 120% of the FMR if they meet the following conditions: Home ARP qualified population definitions, rental of a legal single room occupancy or multi-family apartment and enter a 1-year lease, rent reasonableness analysis and Housing Quality Standard (HQS) inspection and other requirements as outlined in this plan and the HOME ARP regulations. Currently the HOME ARP funding is available until Oct 30, 2030. At that time, we would transition these clients to another permanent program like Section 8 and/or the client would continue to receive the supplement at 85% FMR.

The Department opted for the two-tiered approach to provide much needed relief to ensure our residents have safe, stable, and affordable housing. It is the consensus of housing professionals in Dutchess county that the HUD-issued Fair Market Rents (FMRs) are not an accurate reflection of the local fair market rents. This is a result of issues with HUD's FMR calculation and a lag in data which reflects the impact of the pandemic. Between 2021 and 2022 the HUD FMRs decreased by an average of 4.2 %. The 2015-2019 ACS data showed a 3.8% increase in the average rent, but the adjustment factors used by HUD resulted in a decrease, while at the same time the County's 2020 Rental Housing Survey showed an average apartment complex rent increase of 7.2%. Additionally, the exodus from NYC related to the pandemic put tremendous pressure on the County's housing market which is not yet captured by the statistics used to calculate the FMRs due to the standard lag in the availability of data.

This analysis is supported by the experience of agencies trying to locate housing for clients that they are unable to locate units with the FMRs. For these reasons, multiple programs in Dutchess, including Section 8 programs and the CoC, have moved to 120% of FMRs and we are proposing to use this standard for the locally funded option in our RSP program.

See the below chart as of 3/21/22 for the anticipated RSP supplement amount based on household size. Families can choose to rent an apartment with fewer bedrooms and their supplement will be adjusted to meet the maximum shelter supplement.

Household Size	Allowable Number of Bedrooms	100% FY2022 HUD FMR	85% FY2022 HUD FMR State Reimbursed	Max District Rent Supplement	Max *HOME ARP Supplement	120% FY2022 HUD FMR Max Supplement (with both Supplements)
1	0	\$1033	\$878	\$878	\$362	\$1240
1	1	\$1107	\$941	\$941	\$387	\$1328
2	1	\$1107	\$941	\$941	\$387	\$1328
3	2	\$1412	\$1200	\$1200	\$494	\$1694
4	2	\$1412	\$1200	\$1200	\$494	\$1694
4	3	\$1796	\$1527	\$1527	\$628	\$2155
5+	4	\$2022	\$1719	\$1719	\$707	\$2426

*District using HOME ARP funds which does not allow for room rentals

Describe the outreach mechanisms that will be used. Receipt of TA is not a requirement for determining eligibility for the RSP, but at least 50% of the supplements shall be allocated for households who are currently in shelter or experiencing homelessness (unless sufficient demand does not exist for such households within a district).

Our outreach efforts will be directed to those who are currently utilizing our emergency shelters. The shelters currently house mostly single adults and families. Direct outreach will be made to this population, focusing first on the singles, and information will be shared at intake. Internal referrals from Temporary Assistance, Adult Service, Children Services, etc. will also be made for potential eligible recipients. During the application period, both new applicants and existing clients who are at risk of homelessness currently ineligible for temporary assistance will be referred for review.

This information will also be shared with our county-wide, centralized 211 eviction prevention line.

In addition, we intend to leverage our collaborations with local agencies to ensure the community is aware of this much needed supplement. The district also has a street outreach contract with a local provider – Hudson River Housing- to connect with unsheltered individuals. To the extent appropriate, we will also use the CoC's Coordinated Entry System. The contractor will also be responsible for outreach efforts.

Describe the application and determination process, including the length of time within which applications will be approved or denied. OTDA encourages districts/contractors to make decisions regarding applications within 30 days of the application date.

Applicants will be referred to the contract agency to assess eligibility by internal divisions listed above, Coordinated Entry, community providers, 211, as well as self-referrals. The contractor will assist applicants with completing the application as well as gathering the necessary documents. Once the County selects a contractor, through a Request for Proposal (RFP) process, we will work with the contractor to finalize the application process (paper application, online portal, or other options). Determinations will be made within 30 days of receipt of a completed application. Eligibility criteria is based on the RSP criteria listed on 21-LCM-24 for 85% FMR participants and additional criteria for HOME-ARP will be utilized for participants receiving the 120% FMR supplement. The applications will be processed on a first come first served basis, so long as the applicant is eligible, until the funds run out.

Describe the forms and/or notices that will be used to facilitate the application and determination process. When households requesting a supplement do not meet the criteria established by the district, the denial/discontinuance letter must support the decision by explaining the criteria and the district's decision that the household does not meet such criteria. When a supplement is approved, an award letter must be provided to both the tenant and landlord and must detail the amount approved to be paid on a monthly basis and the months/term included.

The selected contractor will create an application based on the Dutchess County Coordinated Entry Intake Form with additions as needed to ensure compliance with state and local RSP requirements. The application form and the process will be approved by the district before implementation. Attached is the Coordinated Entry Intake Form for reference.

When households requesting a supplement do not meet the criteria established by the district, the denial or discontinuance letter will support the decision by explaining the criteria and the contractor's decision that the household does not meet such criteria. The selected contractor will develop the denial and discontinuance letter and it will be approved by the district prior to use.

When the supplement is approved, an award letter will be provided to both the tenant and landlord and will include details about the amount approved to be paid monthly and the period covered. The award letter will include language about the supplement being provided based on the availability of funds distributed to the local counties from the state as well as the applicant's compliance. The selected contractor will create the award letter and it will be approved by the district prior to use.

Indicate the anticipated target population, including prioritization of certain households (e.g., those with children under the age of six, single individuals, veterans, individuals and families experiencing domestic violence (DV) and non-DV victims of violence). Eligible participants include individuals and/or families, regardless of immigration status, who are experiencing homelessness or facing an imminent loss of housing, including individuals and families with or without children.

Fifty percent (50%) of the supplement will be allocated for households who are currently in the shelters, experiencing homelessness or facing an imminent loss of housing. Applicants facing an imminent loss of housing would be identified when they provide an eviction notice.

We propose a prioritization category for applicants as follows:

- Once the program is launched, the first 60 days will be reserved for single adults in a shelter, motel, or unsheltered,
- The next 60 days, applications will be accepted from families in a shelter or motel or unsheltered,
- After 120 days the program will expand to any applicant facing imminent loss of housing, however applications from residents in shelters will always be prioritized.

Indicate how the following eligibility standards will be met:

- **Households must earn no more than 50% of area median income (AMI) at the time of application (using current monthly income for the household and excluding earned income of a minor child; adoption/foster care payments; one-time loans, gifts, lump sum payments or other non-recurring income; and childcare subsidy payments) based on location and household size, with initial priority given to households who earn no more than 30% of AMI;**
- **A household's financial contribution will be limited to 30% of their households' total earned and/or unearned income; and**
- **Supplements are to be provided until the household's income reaches 30% or more of their monthly rent, at which point the housing will be considered affordable for the individual/family and the supplement will end.**

The contract agency will review applicants' income bi-annually to ensure households earnings are within income limits of the program. Within the priority period described in the question above, the program will prioritize households who earn no more than 30% of AMI.

The agency will request paystubs, social security benefit verification letter, and any other forms of income verification. Current income will exclude earned income of a minor; adoption/foster care payments, one-time loans/gifts, lump sum payments or other non-recurring income and childcare subsidy payments.

The contractor will calculate the household's contribution, with the intent to supplement the rental amount owed by the applicant so that a household's financial contribution is no more than 30% of their household's total earned/unearned income.

During bi-annual recertification, the household income will be reviewed to ensure continued eligibility. The recertification process will include the completion of an abridged version of the application that will be developed by the selected contractor.

Awardee Tenants will be required to notify the program of significant income increases within 30 days.

The supplement will be provided until the household's income increases to a level where their monthly rent is at or below 30% of their total income, at which point the housing will be considered affordable and the supplement will end. The tenant and landlord will receive a 30 days-notice informing them that the supplement will end.

Once the supplement for an awardee tenant is cancelled, it will open the availability of funding another individual/family. The contractor will review pending or wait list applications for the next candidate to be offered a supplement.

List any other established eligibility criteria and indicate how each criterion will be determined and documented. Include the following:

- Will leases be required of all tenants?
- How will the district/contractor ensure that the rental costs are legitimate and the responsibility of the recipient if a lease is not required?
- Will there be any health and safety standards regarding the housing that must be met prior to paying the supplement at a specific location?
- How will the district handle modifications (e.g., moves, rent increases, changes in household composition, etc.)?
- What standards will be followed in determining whether supplementation will continue following a move?
- Will the district/contractor require the recipient household to report changes related to the supplement within a set timeframe as a condition of continued eligibility for the supplement?
- How will contributions towards rental costs from individuals outside the household be verified and what standards will be applied in determining whether such contributions can be sustained in the future?

A lease will be required. A copy of the lease will be provided to the contract agency.

The contractor will ensure that the rental costs are legitimate and assess the responsibility of the recipient based on the copy of the lease received. Contractor will contact the landlord to confirm the accuracy of the lease. The contractor will conduct a rent reasonableness review, in accordance with HUD guidelines to ensure rents are reasonable in relation to rents being charged for comparable unassisted units in the same market. This review is required for the HOME-ARP funds.

All the units will receive a Housing Quality Standard inspection, in accordance with HUD standards. These health and safety standards must be met prior to approving the payment of the supplement at the intended location.

Individuals choosing to move for any reason other than health and safety issues outside of their control must be moving into a less expensive shelter option. Portability of the supplement is reserved for awardees solely to ensure their safety. If approved, the district will notify the new county that an awardee is relocating into their district as a courtesy. The contractor will consult with the district on a case-by-case basis of move requests.

The Landlord must notify the contractor at the time they notify the tenant of rental increases in accordance with the Tenant Protection Act. For tenants that experience an increase in rent and or change in household composition the tenant is responsible to report the change to the contract agency within 30 days. A reassessment will be conducted, and the supplement will be adjusted accordingly based on availability of funds. The landlord should also notify us of an increase in the rent within 30 days.

Contributions towards rental costs from individuals outside the household will be verified and monitored by a statement from the recipient and from the individual making the contribution. The statement must include whether it is a one-time payment or the anticipated frequency.

Indicate the length of time the supplement will be offered to households (e.g., three months, six months, indefinitely, etc.) and whether there is a recertification process for the supplement.

Our intention is to provide the supplement indefinitely until funds have been exhausted or when affordable housing has been attained and the supplement is no longer needed. The supplement will be provided until the household's income increases to a level where their monthly rent is at 30% or below of their total income, at which point the housing will be considered affordable and the supplement will end. The contractor will ensure that awardees recertify bi-annually.

Awardees who do not pay their portion of the rent will be given a notice to comply within 30 days. The contractor will work with the client to develop a plan to bring their account to good standing and if the client is unwilling to comply, they will face case closure.

Indicate the payment mechanism (e.g., check, transfer of funds, etc.) and whether the supplement will be paid to the tenant or the landlord.

The preference for payment would be an electronic transfer directly to the landlord and checks would only be issued if the landlord is unable to accept an electronic transfer. Check will also be issued directly to the landlord.

Indicate how fraudulent and/or cases determined to otherwise be ineligible will be handled, including the procedure for recouping funds, if necessary.

When fraud is suspected, a referral is made to the districts Special Investigations Unit for review. The contractor will be responsible for recouping the funds and will describe the process they will use in the RFP response.

Describe how the district/contractor will ensure that households do not receive duplicate benefits from other sources that may assist with paying future rent/ongoing rental supplements.

The district, the contractor and the CoC will work collaboratively to ensure that households do not receive duplicate benefits. The district will require applicants to sign an attestation and consent to verify with other funding sources that they are not receiving any other assistance with paying future rent and or receiving any ongoing rental supplements. The contractor will utilize the Homeless Management Information Systems (HMIS) and other possible databases as appropriate to avoid duplication of benefits.

Indicate how client records will be maintained (e.g., paper file cabinets, electronic records, or a combination of both) and whether any specific software or system will be used. Notifications regarding eligibility determinations (e.g., approvals, denials and discontinuances) must be maintained in the case record for a minimum of six years following submission of the final expenditure report.

As part of the RFP for a contract agency, the district will require use of HMIS and state a preference for any additional financial or case management software system to implement the program but this will just be one of the factors in selecting the contractor so it is possible we will have paper records. Any system selected will provide security and preserve records for at least six years from the final expenditure report.

Indicate how the progress of those served in the RSP will be monitored. Reports that describe the progress of RSP activities and those served will be required on at least a quarterly basis. A report template will be provided. Minimally, reports must include the amount of rental supplement payments provided, the number of households served and certain demographic information including receipt of TA and household composition.

The outcome report developed by OTDA will be utilized. The district may add to this report to ensure it collects the following information: applications completed, determinations, rental supplement payments dispersed, the number of households served, client demographics such as household composition, etc. The contractor will report quarterly to the district. During the initial stages of implementation, monthly meetings will be held with the contractor to review progress and/or challenges. All clients will be entered into the CoC's HMIS which will help us monitor the short- and long-term success of this program.

To the fullest extent possible, RSP funding should not be used to supplement existing Shelter Supplement Programs. Districts who currently have an approved Shelter Supplement Plan must indicate the following:

- **How the RSP will be different from their current approved Shelter Supplement Plan**
- **The process established to ensure funds are not duplicated**
- **How participating households will be distinguished**

RSP funding will not be used to supplement existing Shelter Supplement Programs.

The RSP differs from our existing Shelter Supplement Program because the RSP targets specific populations through a priority system and does not require TA eligibility to participate. The current shelter supplement program is for TA applicants only and is restricted to single adults on Temporary Assistance.

The current THA rental supplement is monitored internally by district staff and the RSP will be contracted out to a vendor to ensure the two programs are distinguishable.

To ensure that there is not duplication in participating households, the RSP contract is monitored by a district staff that works closely with the housing unit that manages the current supplement. Clients' names and landlords will be cross referenced by the district staff prior to approval of an eligible/selected RSP application by the contractor.