



## **Balance of State Continuum of Care Program Standards for CoC-Funded Rapid Re-Housing Programs**

The Balance of State Continuum of Care developed the following CoC-funded Rapid Re-Housing Program standards to insure:

- Program accountability to individuals and families experiencing homelessness,
- Program compliance with HUD rules,
- Program uniformity, adequate program staff competence and training, specific to the target population being served.

### **DEFINITIONS:**

**Family** - Family includes, but is not limited to, regardless of marital status, actual or perceived sexual orientation, or gender identity, any group of persons presenting for assistance together with or without children and irrespective of age, relationship, or whether or not a member of the household has a disability. A child who is temporarily away from the home because of placement in foster care is considered a member of the family. See 2CFR§ 5.403.

**Homeless** – To receive **CoC Rapid Re-housing (CoC-RRH)** assistance, though, individuals and families may be defined as homeless under any of the following categories included in the Homeless Definition Final Rule:

- Literally homeless (Category 1).
- Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions (Category 4).

**The CoC Program Notice of Funding Availability (NOFA) may impose additional eligibility requirements that are not reflected in the regulations. Projects funded to carry out RRH assistance under the CoC program must follow both CoC Program NOFA and regulatory requirements.**

**Rapid Re-Housing** – A program designed to help individuals and families exit homelessness as quickly as possible, move to permanent housing, and achieve stability in that housing. Rapid re-housing assistance is offered without preconditions (such as but not limited to employment, income, absence of criminal record, disability status, sexual identification, youth without rental history or sobriety), and the resources and services provided are typically tailored to the unique needs of the household. The core components of a rapid re-housing program are housing identification and relocation, short-and/or medium-term rental assistance, move-in (financial) assistance, and case management and housing

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stabilization services. See 24CFR§578.37(a)(1)(ii) & *Core Components of Rapid Re-Housing*, National Alliance to End Homelessness

## **PERSONNEL**

**STANDARD:** The program shall be adequately staffed by qualified personnel to ensure quality service delivery, effective program management, and the safety of program participants.

### **CRITERIA:**

1. The agency selects, for its service staff, only those employees and/or volunteers with appropriate knowledge or experience of working with individuals and families experiencing homelessness and/or other issues that put individuals or families at risk of housing instability.
2. The program provides training to all paid and volunteer staff on both the policies and procedures employed by the program and on specific skill areas as determined by the program.
3. All paid and volunteer service staff participate in ongoing and/or external training and development to further enhance their knowledge and ability to work with individuals and families experiencing homelessness and/or other issues that put individuals or families at risk of housing instability.
4. For programs that use HMIS, all HMIS users must abide by the standard operating procedures found in the HMIS Policies and Procedures manual. Additionally, users must adhere to the privacy and confidentiality terms set forth in the User Agreement.
5. Agency staff with responsibilities for supervision of the casework, counseling, and/or case management components have, at a minimum, a bachelor's degree in a human service-related field and/or demonstrated ability and experience that qualifies them to assume such responsibility.
6. Staff with supervisory responsibilities for overall program operations shall have, at a minimum, a bachelor's degree in a human service-related field and/or demonstrated ability and experience that qualifies them to assume such responsibility.
7. All staff have a written job description that at a minimum addresses the major tasks to be performed and the qualifications required for the position.
8. Case supervisors review current cases and individual service plans on a regular and consistent basis to ensure quality/coordinated services.
9. The program operates under an affirmative action/civil rights compliance plans or letters of assurance.



### **CLIENT INTAKE PROCESS**

**STANDARD:** The program will be an active member in the Coordinated Entry system. The program will have minimal entry requirements to ensure the most vulnerable of the population are being served. The program will assist participants in locating safe, affordable housing that meets participants' needs in accordance with client intake practices and within CoC guidelines for Rapid Re-Housing Programs.

#### **CRITERIA:**

1. All adult program participants must meet the following program eligibility requirements:
  - a. The household must meet either category 1 or category 4 of the homeless definition, set forth by HUD in 24 CFR§578.3.
  - b. Adult household members must participate in developing and carrying out an appropriate housing stability plan and maintain accountability of said plan.
2. Programs cannot disqualify an individual or family because of evictions or poor rental history, criminal history, or credit history.
3. The program explains the services that are available and the requirements for participation and secures a commitment to participate in program services from each adult household member prior to admitting the individual or family into the program. A copy of the program requirements are given to the household.
4. The program will maintain a Release of Information that allows the sharing of information with relevant people and/or agencies. Program participants must be provided with copies of all Releases of Information that they have signed, and have the right to revoke any Release of Information without penalty.

### **PRIORITIZATION**

**STANDARD:** Programs will determine and prioritize which eligible families and individuals will receive Rapid Re-Housing assistance.

#### **CRITERIA:**

1. The program will screen/assess each household for barriers to obtaining housing and barriers to retaining housing.
  - a. Barriers to obtaining housing only include problems that a prospective landlord could find out during the application and screening process AND could use as a reason to deny a rental application, whether or not a landlord's manner of determination and use is legal or illegal.
  - b. Barriers to retaining housing are defined by the direct impact they have had on the household's previous housing history, and the potential for impacting future housing.



2. The program will prioritize each applicant household using the WIBOSCOC approved assessment process and following the current Order of Priority for COC RRH. The prioritization process is outlined in the CoC's Coordinated Entry Policies and Procedures.
3. Service prioritization must look at all programs and services within the local coalition, not just within a single agency.

### **PROGRAM OPERATIONS**

**STANDARD:** The program will assist participants in locating safe, affordable housing that meets participants' needs in accordance with client intake practices and within CoC guidelines for Rapid Re-Housing programs.

#### **CRITERIA:**

1. The program explains the program rules and expectations prior to admitting the individual or family into the program. These rules and expectations should assure fairness, to avoid arbitrary decisions that may vary from client to client, or staff to staff.
2. In locating housing, the program considers the needs of the individual or family experiencing homelessness. All COC Rapid Rehousing projects will follow the Housing Search and Placement policy.
  - a. Agency staff will actively work directly with clients through the housing search process. Some clients may need more assistance than others. Services should be tailored to each individual household need. This includes, but not limited to, a joint effort in locating available units, scheduling appointments together, viewing apartments to ensure likelihood of passing inspection, providing transportation and negotiating with landlords.
  - b. All clients will be able to choose the unit in which they will live.
    - i. Agencies have the ability to use agency-owned units in rental assistance projects. Clients can view agency-owned units as an option to rent. Clients have a right to turn down open units available.
    - ii. If a client chooses to search for other open units for rent, agency staff will continue actively working with clients to find suitable housing of client's choice.
    - i. Participant choice in unit must be documented. Documentation must be in the client file stating the client was provided options for housing and the choice of unit was made by the client.



- c. Following program enrollment, agencies will initially allow for the housing search process to be for 90-days. Agencies may allow for extensions of up to an additional 90-days.
  - i. If households are struggling to secure housing after 60 days of housing search and placement, agencies must engage with their coalition to seek housing solutions, including but not limited to, case conferencing, landlord engagement groups, etc. When this occurs, documentation should be in the client file with details of discussion and suggestions for assistance.
  - ii. When extensions are given, agencies must document reasons for allowing an extension (example: household has significant barriers for LL approval).
  - iii. Likewise, if extensions are not granted, detailed documentation must be provided with reasons why additional time was not allowed (example: household left the area).
  - iv. Households that exhaust the time given for housing search and placement will need to be exited from the project in HMIS and **must** be asked if they would like to be referred back to Coordinated Entry and put on the priority list(s). This Coordinated Entry referral must be done by the housing program if the client chooses.
- d. In the event a household disengages from the housing search and placement process (is no longer communicating with the agency and whereabouts are unknown), the agency must do thorough due diligence to contact them to reengage.
  - i. Disengagement includes clients that have stopped communicating and working with the agency and/or case manager regarding their housing for the project in which they were enrolled.
  - ii. Due diligence includes making all efforts to try and find a household in the event they have disengaged or disappeared. This should include reaching out to the referring agency or other agencies that were providing shelter prior to enrollment in the project, any emergency contact they identified at enrollment, contacting any agency where there was a release of information signed by the client, any potential contact with law enforcement or local hospitals. **Due diligence must be documented in detail in the client case file to show all attempts made by the agency to reengage with the household.**
  - iii. Due diligence should be completed over a 14-day period before making a decision to exit a household from the project.



- e. CoC Interim rule identifies housing search and placement as an eligible activity for funding under Supportive Services. In using COC funds for this activity, all housing search and placement activities must be documented in case notes, or a separate housing search and placement document in the participant file, to provide a detailed account of this process.
3. Programs will assess potential housing for compliance with CoC HUD Housing Quality Standards (HQS), lead-based paint, and rent reasonableness and fair market rent standards prior to the participant signing a lease with the landlord, and the program signing a rental assistance agreement with the landlord. See 24CFR§578.37(a)(1)(ii)
4. Programs will be fully compliant with all Lead-Safe Housing Rule (LSHR) requirements.
  - a. All units must be assessed for applicability to LSHR and document exemptions using the *WIBOS Lead Safe Housing Rule Requirements* form. See 24 CFR 35.115
  - b. Conduct annually, visual assessments for deteriorated paint and/or risk assessments in all units covered by the Lead Safe Housing Rule. See 24 CFR 35.1215(a)
  - c. Programs must ensure that owners of units occupied by one or more children under age six incorporate ongoing lead-based paint maintenance activities into regular building operations for those units and the common areas servicing those units. See 24 CFR 35.1120.
  - d. Participants are receiving Lead Hazard Information before entering a rental unit. Participant files need to contain a signature and date from the participant acknowledging they've received and understand this information. See 24 CFR 35.1210(b)
  - e. Coordination with local health departments for information exchange and to work together to assist children under the age of six with an identified environmental intervention blood lead level. This includes created a formalized process to obtain addresses of identified children from the public health department on a quarterly basis. Grantees will also need to report back the health department on a quarterly basis with addresses of those receiving COC funding. This information must be included in household files when applicable. See 24 CFR 35.1225
  - f. To ensure compliance with LSHR requirements, this must be incorporated into written policies and procedures.
5. The program provides assistance in accessing suitable housing.
6. The program may provide assistance with:
  - a. Security deposits (up to 2 months)
  - b. First and last month's rent



- c. Property damage (up to 1 month's rent, one time per participant)
  - d. Short-term rental assistance (up to 3 months)
  - e. Medium-term rental assistance (4 to 24 months)
7. The program signs a rental assistance agreement with the landlord. The program participant signs a lease with the landlord, that must be for an initial term of 1 year, which is terminable for cause. The lease must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party (24 CFR 578.51 (l)(1)). The program and the participant sign a housing stabilization plan.
  8. The program will pay 100% of the participant's first month's rent. Thereafter, participant contribution toward rent will be 30% of the household's monthly adjusted gross income, payable directly to the landlord.
    - a. If the household moves into housing between the 1<sup>st</sup> and the 15<sup>th</sup> of the month, that month will be considered the "first month." If the household moves into housing between the 16<sup>th</sup> and the end of the month, the following month will be considered the "first month." In this situation, the program will provide 100% of the pro-rated rent in addition to the first month's rent.

### **CASE MANAGEMENT SERVICES**

**STANDARD:** The program shall provide access to case management services by qualified staff to each individual or family participating in the program. Participants are required to *meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability* (24 CFR 578.37(ii)(F)). In-home visits should occur at least once per month, with an alternative of virtual visits as necessary for health concerns. While services are voluntary for people participating in the program, they are required to be offered by case managers.

### **CRITERIA:**

1. **Case management.** Component services and activities consist of: (i) Counseling; (ii) Developing, securing, and coordinating services; (iii) Using the centralized or coordinated assessment system as required under 24CFR§578.23(c)(9). (iv) Obtaining Federal, State, and local benefits; (v) Monitoring and evaluating program participant progress; (vi) Providing information and referrals to other providers; (vii) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and (viii) Developing an individualized housing and service plan, including planning a path to permanent housing stability.
2. **Other eligible services** may be provided including:

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- a. *Child care*
  - b. *Education services*
  - c. *Employment assistance and job training*
  - d. *Housing search and counseling services*
  - e. *Legal services*
  - f. *Life skills training*
  - g. *Mental health services*
  - h. *Outpatient health services*
  - i. *Outreach services*
  - j. *Substance abuse treatment services*
  - k. *Transportation*
  - l. *Utility deposits*
- \*\* See 24CFR§578.53 for more specific information.
- 3.** The program will re-evaluate the household for continued eligibility at least annually. To continue to receive Rapid Re-Housing assistance, a program participant's re-evaluation must demonstrate eligibility based on:
- a. Lack of resources and support networks. The program participant's household must continue to lack sufficient resources and support networks to retain housing without CoC program assistance. Additionally, case managers must:
    - 1. Conduct an annual assessment of needs, including income and benefits, within 30 days of the annual entry date into the program. See 24 CFR 578.53(a)(2) and 24 CFR 578.77(4)
    - 2. Complete an annual HQS re-inspection of the unit. See 24 CFR 578.75(2)
  - b. Need. The recipient or subrecipient must determine the amount and type of assistance that the individual or family will need to maintain stability in permanent housing.

### **SERVICE COORDINATION**

**STANDARD:** The program will assist program participants, pursuant to 24 CFR §576.400, in obtaining appropriate supportive services and other Federal, State, local, and private assistance available for such individuals as needed and requested by the household. Staff should be knowledgeable about mainstream programs, services in the community, and requirements pertaining to school age children – designated staff person – 24CFR§578.23( c)(4)(iv).

### **CRITERIA:**

Approved by WI Balance of State Board of Directors, 11/5/2024





1. Arrangements shall be made as appropriate with community agencies and individuals for the provision of education, employment, and training; schools and enrichment programs; healthcare and dental clinics; mental health resources; chemical dependency assessments and treatment; legal services; budgeting and credit repair; and other assistance requested by the participant, which are not provided directly by the program.
2. Other homeless and mainstream resources for which, if eligible, a client should be assisted in obtaining, include: Emergency Financial Assistance; domestic abuse-related programming (includes advocacy, support groups, children's services, etc.) and shelter; local Housing Authorities, public housing, rent subsidies and subsidized housing; temporary labor agencies; childcare resources and public programs that subsidize childcare; consumer credit counseling service agencies; youth development and child welfare; Community Support Programs; WIC; Food Share; Unemployment Insurance; Social Security benefits; Badger Care; Medicaid/Medicare.

### **TERMINATION**

**STANDARD:** Termination is expected to be limited to only the most severe cases. Programs will exercise judgment and examine all extenuating circumstances when determining if violations are serious enough to warrant termination.

#### **CRITERIA:**

1. In terminating assistance to a program participant, the agency must follow the due process provisions set forth in 24CFR§578.91, (1) providing the program participant with a written copy of the program rules and the termination process before the participant begins to receive assistance; (2) written notice to the program participant containing a clear statement of the reason for termination; (3) 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 (4) prompt written notice of the final decision to the program participant.
2. Termination under this section does not bar the program from providing further assistance at a later date to the same individual or family.
3. Programs are required to re-house, rather than terminate assistance to households that are evicted from their housing while participating in the Rapid Re-Housing program.

### **FOLLOW-UP SERVICES**

Approved by WI Balance of State Board of Directors, 11/5/2024



**STANDARD:** The program may provide a continuity of services to all participants following their exit from the program. These services can be provided directly and/or through referrals to other agencies or individuals.

**CRITERIA:**

1. The program develops exit plans with the participant to ensure continued housing stability and connection with community resources, as desired.
2. The program should attempt to follow up with phone or written contact at least once after the client exits the program. A program may provide follow-up services that include identification of additional needs and referral to other agency or community resources in order to prevent future episodes of homelessness.
3. Supportive services may be provided until 6 months after rental assistance stops.

**CLIENT FILES**

**STANDARD:** The documentation necessary for the effective delivery and tracking of service will be kept up to date and the confidentiality of program participants will be maintained.

**CRITERIA:**

1. The file maintained on each participant should, at a minimum, include information required by HUD, participation agreements, service plans, case notes, information on the services provided both directly and through referrals to community agencies and individuals, and any follow-up and evaluation data that are compiled. The case file should also include:
  - a. Documentation of homelessness,
  - b. Type of need (amount and type).
2. Client information must be entered into HMIS in accordance with the data quality, timeliness and additional requirements found in the HMIS Policies and Procedures manual. If an organization is prohibited from using HMIS, the organization is required to fully participate in HMIS through the use of a comparable database. At a minimum, programs must record the date the client enters and exits the program, and update the client's information as changes occur. At a minimum, non-HMIS providers must document in the file the date the client enters and exits the program, and update the client's information as changes occur. If using an HMIS comparable database this information must be included in that database.
3. The program will maintain each participant file in a secure place and shall not disclose information from the file without the written permission of the participant as appropriate except to project staff and other agencies as required by law. Participants must give informed consent to release any client identifying data to be utilized for research, teaching and public interpretation.



4. See 24 CFR 578.103 for record retention pertaining to CoC funds. All records must be retained for a minimum of 5 years after the expenditure of all funds from the grant under which the program participant was served. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until 15 years after the date that the project site is first occupied, or used, by program participants.

### **EVALUATION AND PLANNING:**

**STANDARD:** Ongoing program planning and evaluation will be conducted.

**CRITERIA:**

1. The program has written goals and objectives for its services to meet the outcomes required by HUD.
2. The program reviews the case management, housing, and follow-up needs of program participants and the existing services that are available to meet these needs. As appropriate, revisions to goals, objectives and activities are made based on program evaluation.
3. The program exhibits due regard for participant privacy in conducting and reporting its evaluation.

## **APPENDIX**

### **Appendix A**

#### **Rent Calculations**

1. Each project must have specific policies and procedures created in accordance with the COC interim rule and the Balance of State written standards regarding rent calculations.

Approved by WI Balance of State Board of Directors, 11/5/2024



a) The policies shall include the frequency of rent re-calculation. At minimum, rent calculations must be done initially, when a household composition changes, and when household income changes.

b) The policies shall include a description of the income verification collection process that includes acceptable source documentation. If a household does not provide income verification, the household may be required to pay full rent the following month. If an adult household member does not have income, s/he shall sign a zero income certificate form or declaration of no income form.

i) The following are examples of acceptable proof of income. This is not a complete list of all acceptable documentation types but describes many of the most common sources of income:

- 1) Public benefits (i.e. SSI, SSDI, Child Support, Veterans benefits, etc.) – Verification letter/statement from a caseworker of the agency indicating the amount of benefits received, and the start date of the benefit. If out-of-date benefits income is a barrier to obtaining available housing, applications can be processed with SSI/SSDI income verification that is up to 12 months old.
- 2) Employment wages – Two months of most current consecutive pay stubs.
- 3) New employment wages (if a participant recently started a new job and has not received at least one month of pay stubs) – Employment verification letter from employer, stating gross wages and hours, overtime pay for this year, or annual salary.
- 4) Seasonal/irregular employment (if a participant is seasonally/irregularly employed) – Most current Federal Income Tax Return Form 1040; AND most current two months of paystubs for the employment; AND employment verification from employer, which indicates the period of the year that the participant will work as a seasonal employee, or discontinued employment.
- 5) Self-reporting income – For self-declaration income such as recycling, day labor, etc., most current Federal Income Tax Return Form 1040 with 1040 Schedule C and/or Form 8829 and self-declaration verification letter from customer/client or certified self-affidavit letter. For self-employment (i.e. housekeeping, child care, contract labor), a verification letter from customer/client to prove continuing, discontinued, or temporarily discontinued self-employment services.
- 6) Unemployment benefits – Unemployment benefits verification letter.
- 7) If a student age 18 and older is receiving financial aid, it is recommended that the provider obtain a current school schedule and school year financial aid letter. Although financial aid (grants, school loans, work-study programs) is not considered income as long as a



participant is school, the program operator should obtain financial aid statements for their records.

c) The policies shall describe which income is included for which month's rent calculation. For example, to determine rent for July, the household provides their income verification from May by a date set in June.

d) The policies shall identify what occurs if a participant quits his/her job voluntarily or if a participant is fired, laid off, or has hours significantly reduced by the employer or doctor's recommendations. For example, in a voluntary separation from employment, income would continue to be used to calculate rent. However, in involuntary separation or reduction, income can be zeroed out or the lower amount used in the rent calculation.

e) The policies shall identify any additional deductions the project allows for all participants **that is allowed by HUD**. ~~For example, an agency can elect to deduct the amount of child support paid out in determining adjusted gross income.~~

2. HUD (24 CFR 5.609 and 24 CFR 5.611) states what should be counted and excluded for income and what allowable adjustments include:

### **§5.609 Annual income**

(a) *Annual income* means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An

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allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) *Welfare assistance payments.*

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

- (A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and
- (B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

- (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
- (B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

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- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in §5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8)
  - (i) Amounts received under training programs funded by HUD;
  - (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
  - (iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;
  - (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) [Reserved]
- (14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of

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Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

### **§5.611 Adjusted income**

Adjusted income means annual income (as determined by the responsible entity, defined in §5.100 and §5.603) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) *Mandatory deductions.* In determining adjusted income, the responsible entity must deduct the following amounts from annual income:

(1) \$480 for each dependent;

(2) \$400 for any elderly family or disabled family;

(3) The sum of the following, to the extent the sum exceeds three percent of annual income:

(i) Unreimbursed medical expenses of any elderly family or disabled family; and

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(b) *Additional deductions.*

(1) For public housing, a PHA may adopt additional deductions from annual income. The PHA must establish a written policy for such deductions.

(2) For the HUD programs listed in §5.601(d), the responsible entity shall calculate such other deductions as required and permitted by the applicable program regulations.

[66 FR 6223, Jan. 19, 2001]

Sample rent calculation form:

Approved by WI Balance of State Board of Directors, 11/5/2024





<https://www.hudexchange.info/resources/documents/incomeresidentrentcalc.pdf>

Examples of source documentation:

[http://www.in.gov/ihcda/files/Accepted\\_Forms\\_of\\_Income\\_Verification\\_and\\_Expense\\_Documentation.pdf](http://www.in.gov/ihcda/files/Accepted_Forms_of_Income_Verification_and_Expense_Documentation.pdf)

<http://www.snohomishcountywa.gov/DocumentCenter/View/25234>



## Appendix B

### Utility Allowances

1. Each project must have specific policies and procedures created in accordance with the COC interim rule and the Balance of State written standards regarding utility allowances.
2. The utility allowance is calculated for each participating household based on the local Public Housing Authority (PHA)'s schedule of utility allowances.
  - a. If the tenant (for example) is expected to pay hot water, heat, and other electric, the Case Manager or other staff will use the utility schedule for the appropriate unit size, add the amounts allowed on the utility schedule for each of the utilities to be paid by the tenant to determine the total utility allowance for the tenant.
  - b. If all the utilities are included in the unit rent, there is no utility allowance.
3. The full rent amount is the full rent the owner is charging for the unit including any utilities the owner provides under the lease. The gross rent represents the entire housing cost. It is calculated by adding the full rent amount and the utility allowance for the unit. If all the utilities are included in the rent, the full rent amount and the gross rent amount will be the same.
  - a. If a program participant selects a unit with a different number of bedrooms than the household is eligible for, the project is required to re-calculate the maximum gross rent. Using Fair Market Rent Value for the smaller unit size (either the unit size the household is actually eligible for or the unit size selected by the household). The utility allowance used is always based on the actual size of the selected unit.
4. The rent subsidy payment can be calculated only after the participant has selected a unit and the gross rent for the unit is known. The rent subsidy payment is calculated by subtracting the total tenant payment from the gross rent amount.
5. The total tenant payment is the greater of 10% of the household's monthly gross income or 30% of the household's adjusted gross income. The total tenant payment is the participant's contribution toward the gross rent.
6. The actual tenant payment (household share of rent) is the participant's portion of the full rent that is paid to the agency for rent. If the participant is not responsible for paying any utilities under the lease, the actual tenant payment will equal the total tenant payment. Where participants are responsible for directly paying some or all of the utilities, actual tenant payment is calculated by subtracting the rent subsidy payment (agency share of rent) from the full rent amount.



**EXAMPLE: CALCULATING ACTUAL TENANT PAYMENT**

Full Rent	\$450
Less Rent Subsidy Payment	<u>- \$240</u>
Actual Tenant Payment	\$210

7. If the rent subsidy payment exceeds the full rent amount, a utility allowance payment will need to be made. The project pays the full rent amount to the owner and sends the utility allowance payment to the utility company.

**EXAMPLE: CALCULATING A UTILITY ALLOWANCE PAYMENT**

Rent Subsidy Payment	\$415
Less Full Rent	<u>- \$390</u>
Utility Allowance Payment	\$25



Additional information can be found at:

[http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_11762.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11762.pdf)

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/phec/c/allowances](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/phec/c/allowances)

<https://www.huduser.gov/portal/resources/utilallowance.html>



## Appendix C

### Fair Market Rent and Rent Reasonableness

1. Each project must have specific policies and procedures created in accordance with the COC interim rule and the Balance of State written standards regarding fair market rent and rent reasonableness. Compliance with rent reasonableness must be documented prior to executing a lease for a unit.
2. Rent reasonableness is defined as reasonable in relation to rents being charged for comparable unassisted units in the same market. Rent reasonableness is determined by considering the gross rent of the proposed unit and the location, quality, size, type, and age of the unit, any any amenities, maintenance, and utilities to be provided by the owner.
3. The gross rent of the proposed unit must be compared to three similar unit. "Similar" is defined as:
  - a. Same location as the proposed unit (either neighborhood or town)
  - b. Same number of bedrooms
  - c. Same type of unit (multi-family, duplex, single family home, etc)
4. To calculate the gross rent for purposes of determining whether it meets the rent reasonableness standards, project must consider the entire housing cost:
  - a. Rent plus the cost of any utilities that must, according to the lease, be the responsibility of the tenant.
  - b. Utility costs may include gas, electric, water, sewer, and trash. However, telephone, cable or satellite, television service, and internet service shall be excluded.
  - c. The gross rent does not include pet fees or late fees that the program participant may accrue for failing to pay the rent by the due date established in the lease.
5. Comparable rents can be checked by any of the following methods:
  - a. By reviewing advertisements for comparable rental units.
  - b. Completed Owner's Certification on the Request for Tenancy Approval form.
  - c. Written verification signed by the property owner or management company, on letterhead, affirming that the rent for a unit assisted with CoC Program funds is comparable to current rents charged for similar unassisted units managed by the same owner
6. To keep the administrative burden to a minimum, rent reasonableness documentation does not have to be collected for each individual unit. Rather, rent data may be collected at the neighborhood or community level, as long as the case manager or other staff making the determination verifies the documentation is appropriate for the proposed unit and includes the documentation in each client file.
7. Rent reasonableness must be reviewed annually.



8. The rent reasonableness standard is determined by averaging the gross rent of the three comparison units. The proposed unit meets the rent reasonableness standard if it is lower than \$50 above the average of the three comparable rents.

- a. **Example: Proposed Unit Gross Rent: \$640.00**

- i. Unit 1 Gross Rent: \$650.00
    - ii. Unit 2 Gross Rent: \$630.00
    - iii. Unit 3 Gross Rent: \$625.00

To calculate the average, you add the unit 1 gross rent (\$650) plus unit 2 gross rent (\$630) plus unit 3 gross rent (\$625) equals = \$1,905 and divide by the number of units used (3) equals = \$635.

Add the \$50 standard ( $\$635 + \$50 = \$685$ ). \$685 is the maximum allowable rent that meets the rent reasonableness standard for this unit.

In the example, the proposed unit meets the rent reasonableness standard because it is lower than \$685. It is \$640.

9. The policies must include a description and process for addressing special circumstances. For example, in some cases it may be difficult to identify units that match on location, building type, and number of bedrooms. A policy could include supervisor approval to review a broader geographic range, or look at units that have the same number of bedrooms and are in the same geographic location but are in other types of buildings.

This is a rent amount based on unit size and geographic location determined by HUD annually. FMRs for each fiscal year can be found by visiting HUD's website at:

<https://www.huduser.gov/portal/datasets/fmr/fmrs/docsys.html?data=fmr16>

A sample "Rent Reasonableness Checklist and Certification" form is available at

[www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc](http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc)

Information about FMR and rent reasonableness:

<https://www.hudexchange.info/resources/documents/CoC-Rent-Reasonableness-and-FMR.pdf>



## Appendix D

### Housing Quality Standards

1. Each project must have specific policies and procedures created in accordance with the COC interim rule and the Balance of State written standards regarding housing quality standards (HQS) inspections.
2. HQS inspections must be completed by a certified and/or trained HQS inspector.
3. A unit must pass HQS before a lease can be signed. An HQS inspector must complete an annual re-inspection of the unit. If while the client is on a program, staff observes a potential HQS fail, or if the client or landlord reports a concern that may be fail, the HQS inspector will inspect the unit.
4. If the HQS inspector fails the unit during an initial or re-inspection, an owner (or tenant if it is their damage) has 30 days to fix those issues. The repair checklist requires that both the owner and tenant sign, but an HQS inspector *must* do a re-inspection once the repairs are reported complete.
  - a. If the repairs are not complete within 30 days of notification to the owner, the project cannot pay any rent to the owner. If the client is in the unit, rent must be withheld until the unit passes an HQS inspection. If it is a new unit that has not been leased up, the project should encourage the client to look at other units. No lease may be signed until the unit passes an HQS inspection, including lease renewals.
5. The policies must include a description of the annual quality assurance check process for HQS inspections. The purpose of the quality assurance check is to ensure inspectors are consistently following the HQS guidelines. A quality assurance check includes an HQS inspect inspecting a unit that has been inspected by a different HQS inspector in the past 30 days.
6. The policies must include a description of general inspection process of units. Any agency can choose to conduct these monthly, quarterly, or not at all. This inspection can be done by a non-HQS trained staff. The purpose is to look for any new damage or anything causing the unit to fail an inspection. This can include an infestation, housekeeping issues, leaks, appliance issues, etc.

HUD-52580 or HUD-52580-A are the approved HUD forms. They can be found at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=52580.pdf>

<http://portal.hud.gov/hudportal/documents/huddoc?id=52580-a.pdf>

The “A” form provides more instruction as to what the inspector is looking for in each area, etc. I would recommend the A form whenever possible as it gives examples, and breaks down the information that is being gathered by room.



You can tell if it is the approved form by looking in two places.

First, in the top right corner, it will tell you when the form expires (4/30/2018).

OMB Approval No. 2577-0169  
(Exp. 04/30/2018)

for reviewing instructions,

Second, on the bottom left hand corner, it will tell you that all previous editions are obsolete.

Third, on the bottom right hand corner, it will tell you that this form was developed (4/2015).

form HUD-52580 (4/2015)  
ref Handbook 7420.8

It is important that the entire document is completed. The summary should be done on page 8. This identifies the inspection, the date, and an area to note deficiencies or concerns.

Additional information can be found at:

[https://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_9143.pdf](https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9143.pdf)

<http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/7420g10GUID.pdf>