

RESIDENTIAL ASSISTANCE FOR FAMILIES IN TRANSITION (RAFT) FY07 ADMINISTRATIVE GUIDELINES

These guidelines will govern the administration of the program and will be incorporated into the Commonwealth of Massachusetts Contract for Services between the Department of Housing and Community Development (DHCD) and the Regional Non Profit housing agency (Contractor).

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I. DEFINITONS

Program Goal- To provide short term, limited financial assistance which will enable families to retain housing, obtain new housing or otherwise avoid homelessness.

Target Population- Homeless families moving into subsidized or private housing and, families at risk of homelessness due to a significant reduction of income or increase in necessary household expenses.

Eligible Family Household- Two or more people living together, one of whom is a dependent child under the age of 21, **or**

- Two or more people living together, one of whom is disabled, **or**
- A single pregnant head of household.

Income Eligibility- Household income must be at/below 50% of area median income as defined by the federal Department of Housing and Urban Development.

- Contractor must use the RAFT Definition of Income provided by DHCD.

Homelessness- Lacking a permanent place to live. This includes families living on the street, residing in a homeless shelter, participating in a transitional housing program, doubled up with other households, or living in a severely overcrowded situation.

At Risk of Homelessness- Experiencing a significant reduction of income or increase in necessary household expenses such that the family cannot pay their current housing costs and is facing a potential eviction or loss of utility service. The Contractor must make a determination that the family was not primarily at fault for causing the significant reduction of income or increase in expenses.

Eligibility of Subsidized Applicants

Subsidized applicants must meet all eligibility and qualification requirements contained in these guidelines. In addition, subsidized applicants requesting program funds for rent arrearages must comply with an additional program eligibility requirement, as defined in Section XIV.

Subsidized Housing- DHCD has defined subsidized housing as any property in which public funds are used to reduce the apartment rents. This includes:

- all public housing
- all units in privately owned housing developments that are receiving public funds, and the unit rents are based on household income
- all rental housing voucher programs
- refer to Section XIV re: restrictions on use of funds for subsidized households

Maximum Amount of Financial Assistance

Pursuant to legislation, financial assistance cannot exceed \$3,000 per family. Eligible families can access program funds more than once, subject to the availability of program funds. However, in no event can total financial assistance to a household exceed the life-time cap of \$3000.

II. ALLOCATIONS OF FUNDS AND ADMINISTRATIVE FEES

A. Prior to the start of the FY07 program, DHCD will provide the Contractor with an initial allocation of program funds under separate cover.

B. The allocation will include all administrative fees the Contractor can earn and all program funds the Contractor can award for approved applicants.

C. The Contractor may use \$24,000 of the initial allocation for program start-up expenses. In addition, the Contractor can use up to 13% of the allocation for administrative expenses.

D. The Contractor is responsible for ensuring that it does not exceed the initial allocation, without DHCD approval.

E. DHCD will monitor statewide program spending. DHCD reserves the right to reduce the Contractor's allocation and re-allocate unused funds to other Contractors if the Contractor has not spent or committed at least 50% of the total initial allocation within six months from the date of program start-up.

F. If DHCD reduces the allocation; the Contractor will only be entitled to an Administrative Fee of 13% based on the amount of funds approved for participants.

III. Program Outreach to other Service Provider Agencies

A. The Contractor will conduct program outreach to other local service provider agencies within the Contractors' entire geographic service area. The Contractor will submit a list of such agencies to DHCD for review. At a minimum, the list must include all local DTA Offices and all agencies that administer the Low Income Home Energy Assistance Program (LIHEAP).

B. The Contractor will conduct briefing sessions for interested local service provider agencies at the start of the program year. The Contractor will explain how the program works and describe the Contractors' application process so that service provider agencies can assist their clients with the RAFT application process.

IV. Program Outreach to Applicants

A. The Contractor will provide program information and a description of the Contractor's application process on its website, including the office locations and schedule for accepting applications, and the name and phone number of the staff person(s) responsible for processing applications.

B. The Contractor will ensure staff are available to provide assistance and program information to potential applicants during normal business hours, either by telephone or through scheduled office hours.

C. DHCD will also post program information on its website and provide a direct link to the Contractor's website.

V. Application Process

A. The Contractor will review and process applications on a first come, first served basis.

B. The Contractor will use the DHCD approved application form. Applicants will be required to fill out the application to the best of their ability, and provide all required documentation. Applications must be signed and dated.

C. The Contractor must attach a brief description of its application process to the application form, including a list of required documentation. If the Contractor will require applicants to attend in person application reviews, such a requirement must be

included. The Contractor must allow for reasonable accommodation requests for applicants unable to attend in person application reviews.

D. The Contractor does not have to accept incomplete applications. If the Contractor chooses to only process complete applications, the Contractor must include this requirement in its written description of the application process (see V. C. above).

E. The Contractor may need to verify information provided by the applicant or obtain additional information in order to make a determination of eligibility (refer to Section VIII) and qualification (refer to Section IX).

F. The Contractor may verify information during in person application reviews with applicants, or by telephone.

G. Upon determining program eligibility, qualification, and the amount of financial assistance necessary, the RAFT staff person will make a recommendation to the program supervisor.

H. The supervisor will generally not have direct client contact, but will review the file to ensure that all of the criteria have been met and adequately documented.

I. Upon approval, the Contractor will make direct vendor payments (to property owner, utility company, etc.) on behalf of the participant.

VI. Required Documentation for Application

The following documentation requirements are minimum standards. If the Contractor will require additional documentation, the Contractors' requirements must be in writing and provided to all applicants.

A. Homelessness Qualification

Acceptable documentation would include a letter from a shelter provider or service provider agency that is willing to verify applicant lacks permanent place to live. The Contractor may verify homeless status directly with shelter/provider via telephone.

B. At Risk of Homelessness Qualification

The Contractor will determine if an applicant is at risk of homelessness based on the application, required documentation, and any additional information provided by the applicant. The Contractor must determine that the applicant had a significant reduction of income or increase in necessary household expenses, and that the applicant has secured new income or a change in circumstances that would lead to housing stabilization.

C. Applicant Identification

1. All applicants must provide at least one form of identification. Acceptable identification includes a birth certificate, picture ID, driver's license, or Mass Health card.

2. All applicants must provide verification of the social security number of all family members. If the applicant does not have the social security card(s)

available, the Contractor may accept another form of written documentation that includes the social security number, i.e., pay stubs, public assistance award letter.

D. Applicant Housing Expenses

1. Applicant must provide a copy of the lease/rent receipts, or mortgage (if applicable).
2. Applicant must provide copies of recent bills, if utilities are not included in rent.

E. Applicant Income

1. Applicant must provide written documentation of all income for all family members at least 18 years of age. Acceptable documentation includes four consecutive pay statements or a letter from an employer for wage earners, monthly bank statements for assets, and an award letter from the administering agency if the applicant is receiving public assistance, i.e., TAFDC.
2. Documentation cannot be older than 60 days.

F. Applicant Financial Need – Documentation of financial need will depend on the **type of financial assistance** the applicant is seeking. The following are minimum requirements. The Contractor may require additional documentation or verification of information, depending on the specific circumstances.

- 1. Rent Arrearage-** Eviction notice or 14 day notice to quit, and copy of recent payment record (to be supplied by property owner), and for subsidized applicants requesting program funds for rent arrearages, a completed At Risk of Homelessness Certification form.
- 2. Mortgage Arrearage-** Current mortgage statement, and letter from mortgage lender indicating that payments are at least sixty (60) days in arrears.
- 3. Utility Arrearage or Heating Fuel-** Copies of recent bills and utility shut off notice. For applications submitted on or after November 1, 2006, applicants must document receipt of fuel assistance or pending application for fuel assistance (if Contractor determines applicant may be income eligible).
- 4. Security Deposit, First/Last Month's Rent-** Copy of lease for new unit or letter from property owner stating amounts due upon lease-up.
- 5. Employment related Transportation Expenses-** Applicant must be employed and provide proof of ownership of vehicle and copy of bill from mechanic detailing work items and costs.
- 6. Furnishings-** Applicant must currently be homeless and supply letter from shelter or service provider agency. Contractor must determine that such expenses are necessary to ensure that homeless families moving from a shelter environment are able to obtain to their own apartment, i.e., bedding, refrigerator.

7. Monthly rental stipend- Based on a review of applicant household's income and expenses, Contractor to determine amount needed for housing stabilization.

G. Property Owner Documentation; The applicant's landlord must provide:

1. Completed W-9 tax form
2. Proof of ownership (real estate tax bill, deed)
3. The Contractor may also elect conduct a search via the internet at the Registry of Deeds to verify property ownership. If this option is used, the Contractor must maintain a printout in the applicant file.

VII. Incomplete Applications

A. The Contractor does not have to accept incomplete applications. If the Contractor chooses to only process complete applications, the Contractor must include this requirement in any written materials provided to all applicants.

B. If the Contractor determines that an application is incomplete due to missing required documentation, the Contractor must provide the applicant with a written notification that identifies the missing documentation.

C. The Contractor must maintain one copy of the notification in the applicant file, and one copy of all such notifications in a master file.

VIII. Determination of Program Eligibility

The Contractor must determine that the applicant is an Eligible Family, is Homeless or At Risk of Homelessness, and that the applicant's household income is at/below 50% of area median income.

IX. Determination of Program Qualification

In addition to the Determination of Program Eligibility, the Contractor must make a Determination of Qualification. Based on the application, required documentation, and any additional information provided by the applicant or verified by the Contractor with a third party, the Contractor must make a reasonable determination that the applicant has met the following two qualification criteria:

A. Financial Crisis

The applicant must demonstrate that there was a one-time, extraordinary event beyond the control of the applicant that resulted in a significant reduction of income or increase in expenses.

The following are examples of a one-time extraordinary event that would be considered beyond the control of the applicant:

- Employment lay-off , mandatory reduction in hours/earnings, or forced relocation

- A necessary reduction in hours/earnings for medical reasons
- Death in the family that resulted in significant financial costs to the household
- Unplanned medical expenses not covered by insurance
- Victim of crime that resulted in theft of resources
- Property or vehicle accidents not covered by insurance
- Having to relocate due to non-renewal of a lease, unsafe housing conditions, severe overcrowding, or for medical or educational necessity
- Applicant is homeless and lacks a permanent place to live

B. Housing Stabilization

The applicant must demonstrate that new income has been secured or expenses reduced such that the applicant will be able to afford housing expenses going forward. Both thresholds must be met in order to be determined qualified for RAFT financial assistance. Demonstrating an unintentional financial crisis in and of itself is not sufficient. The applicant must also demonstrate that he/she will be able to afford their housing expenses and achieve housing stabilization.

1. Housing Stabilization Affordability Presumption

Unless the facts of the case warrant otherwise, the Contractor shall apply a presumption that housing will be stabilized if the applicant is paying less than 50% of its income for housing.

2. Applicant Paying Less Than 50% of Income for Housing

An applicant paying less than 50% of its income for housing may be disqualified if the applicant has a prior history of non-payment of housing expenses, without having demonstrated a prior unintentional financial crisis.

3. Applicant Paying More Than 50% of Income for Housing

The Contractor must give an applicant a fair opportunity to establish that RAFT assistance will enable the applicant to retain its housing, obtain new housing, or otherwise avoid homelessness even if the applicant would be paying more than 50% of its household income for housing.

X. Review of Denial of Eligibility and Qualification

A. The Contractor must establish an informal review process, which generally will be conducted by a supervisor who was not involved with the initial determination decision.

B. All applicants have the right to request a re-determination of an ineligibility/qualification decision.

C. The Contractor must provide a written notification to any applicant that has been determined ineligible or not qualified. The notification must include the reasons for the determination, a description of the process for requesting a re-determination, and a deadline for requesting a re-determination.

XI. Limitation on Amount of Financial Assistance

A. Pursuant to legislation, financial assistance cannot exceed \$3,000 per family. Eligible families can access program funds more than once, subject to the availability of program funds. However, in no event can total financial assistance to a household exceed the life-time cap of \$3000.

B. The Contractor must review prior applicant data (FY06 RAFT web data base and FY05 excel data base) to ensure applicants do not exceed \$3,000 cap.

XII. Submission of Exception Requests to DHCD

A. Refer to FY06 RAFT Request Form Memorandum (8/31/05) for required content of requests.

B. The Contractor must submit exception requests to DHCD on a case-by-case basis under the following two circumstances:

1. All requests for mortgage arrearages. The Contractor must describe efforts made by the participant to address the arrearage and note whether the Contractor provided budget counseling or made an approval for such services to another agency.

2. Potential conflicts of interest where the participant is residing in, or moving into property owned or managed by the Contractor.

XIII. Eligible Use of Funds and Restrictions

A. Financial assistance for program participants must be expended for housing related expenses, only. Families in need of supportive services should be referred to appropriate service provider agencies.

B. No cash assistance will be provided directly to the participant. The Contractor will make payments to vendors (landlords, utility companies) on behalf of the participant.

C. The Contractor must use its best efforts to negotiate the minimum amount of program funds necessary to ensure housing stabilization.

Unless otherwise provided by law for this program, eligible use of funds includes:

1. Rent Arrearages

If deemed necessary by the Contractor to ensure the participant will avoid an eviction.

2. Mortgage Arrearages

If deemed necessary by the Contractor to ensure the participant will avoid foreclosure.

3. Utility Arrearages

RAFT funds can be used to pay electric, heating fuel, and water & sewer arrearages, in accordance with the following:

- (a) If deemed necessary by the Contractor to ensure the participant can afford a shut-off of service, or have service restored.
- (b) RAFT funds can only be used to pay for arrearages incurred on or after December 1, 2005.
- (c) For the five utility companies that implemented arrearage management plans specifically for RAFT participants, the Contractor must comply with the FY06 Revised Guidelines for Using RAFT Funds for Utility Arrearages Memorandum (11/10/05).
- (d) If a participant was previously approved for an arrearage management plan but the utility company notifies the Contractor that the participant has not made a good faith effort to make monthly payments, the participant is not eligible for any additional funds for an arrearage.
- (e) All regulated electric and gas companies are now required to file Arrearage Management Plans with the state Department of Telecommunications and Energy. These plans apply to all utility customers. The Contractor must contact the utility companies in their service area and obtain information concerning their specific arrearage plans to ensure that RAFT participants are able to take advantage of these plans.
- (f) The purchase of heating fuel (propane gas, oil delivery, wood) is an allowable utility expense if deemed necessary by the Contractor to ensure the participant can maintain heat during the heating season, and the participant is not eligible for, or has exhausted all fuel assistance benefits.

4. Security Deposits and First/Last Months rent

- (a) If deemed necessary by the Contractor to ensure the participant can afford a necessary move or new lease-up.
- (b) If applicant paid a security deposit for their previous unit, RAFT funds can only be approved for any increase to applicant (new security deposit minus existing security deposit).

5. Employment related Transportation

- (a). If deemed necessary by the Contractor to ensure an adult household member can continue employment.
- (b). The maximum allowable amount is \$1,500.

6. Furnishings

If deemed necessary by the Contractor to ensure that **homeless** families moving from a shelter environment are able to obtain to their own apartment, (bedding, crib, refrigerator).

7. Monthly Rental Stipend

- (a). If deemed necessary by the Contractor to allow the participant to meet the “no more than 50% of income for rent” threshold.
- (b). Total funds approved for monthly stipends cannot exceed three (3) months rent.

XIV. Restrictions on Use of Program Funds for Rent Arrearages for Subsidized Applicants

A. Subsidized households pay rent based on a percentage of household income and have the ability to have their rent adjusted. Therefore, there is a presumption that households currently living in subsidized housing would not qualify for assistance for rent arrearages because they are unable to meet the standard of at risk of homelessness due to a significant reduction in income or increase in necessary household expenses.

B. To rebut this presumption, such applicants must submit the At-Risk of Homelessness Certification form. This form must be completed by the Local Housing Agency (LHA) that administers the RAFT applicant’s housing assistance. It will be used by the RAFT administering agency to determine if the applicant has made a good faith effort to obtain a rent adjustment and cure the arrearage.

C. The Certification form has been incorporated into the program application form. The applicant is responsible for obtaining a completed form from the LHA and submitting it, along with the program application form and all other required documentation, to the RNP. Such applications will be considered incomplete unless the Certification form is included with the application.

XV. Eligibility of Former Participants

- A. Applicant would need to demonstrate an entirely new, extraordinary, financial crisis.
- B. Applicant would also need to demonstrate they have made every effort to pay their bills on time.
- C. Participants that previously received RAFT funds for a security deposit are not eligible for additional security deposit assistance.

XVI. Eligibility of Transitional Housing Program Clients

- A. Provided the applicant is otherwise eligible, the Contractor may approve the use of RAFT funds to assist a transitional housing client to move to permanent housing.
- B. RAFT funds cannot be used for an applicant moving into transitional housing.

XVII. Use of RAFT Funds for DTA Homeless Shelter Families

- A. DTA shelter families may be eligible for DTA Toolbox funds (up to \$2,000), which can be used to assist the family with obtaining permanent housing.

B. RAFT funds can be used, if necessary, to supplement Toolbox funds.

C. If a DTA shelter family applies for RAFT funds, the Contractor must determine if the applicant is eligible for and will receive Toolbox funds, prior to approving RAFT funds.

D. The Contractor must obtain documentation from the shelter provider or DTA local office. Such documentation must include the use and amount of Toolbox funds approved.

XVIII. Required Program Documents

The Contractor must use all program forms provided by DHCD.

A. Application for Assistance (FY07 version)

1. All applicants must submit an application and provide complete information to the best of their ability.
2. The Head of Household must sign and date the application. All household members who are at least 18 years of age must sign and date the Fair Information Practices Act Statement of Rights.
3. The At Risk of Homelessness Certification form must be completed by subsidized applicants requesting program funds for rent arrearages.

B. Participant Contract (FY07 version)

FY07 version contains a new provision concerning participation in referral services.

C. Owner Agreement (FY07 version)

FY07 version contains two new provisions: (1) Owner agrees to return unused security deposit and first/last month's rent to the Housing Agency, if participant does not move into the unit, and (2) Owner agrees to return security deposit to participant at time of move out.

D. Utility Arrearage Management Plan Data Sheet (if applicable)

1. Refer to FY06 Revised Guidelines for Using RAFT Funds for Utility Arrearages Memorandum (11/10/05).
2. The Contractor must complete the data sheet and maintain a copy in the participant's file.
3. The Contractor must maintain copies of all such data sheets in a separate Utility Arrearage Management Plan file.

XIX. Provision of Referral Services

As part of the intake and determination of program eligibility process, the Contractor will establish a referral system for program participants that the Contractor determines would

benefit from other existing community based agencies that provide additional housing stabilization services.

XX. Vendor Payments

Based on the Contractor's determination of financial assistance needed by the program participant, the Contractor will make direct payments to participating vendors (property owners, utility companies, etc.), on behalf of the program participant.

XXI. Maintenance of Participant and Applicant Documentation

A. The Contractor must maintain a file for each program participant approved for funding.

B. Each participant file must contain the RAFT Application, Participant Contract, Owner Agreement, all supporting documentation pertaining to all eligibility criteria, documentation of income and housing costs, proof of financial need (overdue notice from utility company, property owner, etc.), documentation of vendor payments made on behalf of the participant, documentation of any referrals made by the Contractor to other service and/or housing stabilization providers, tracking reports, and copies of all correspondence concerning the participant.

C. The Contractor must maintain a file for each applicant that submitted a complete application but was denied for funding.

D. The Contractor must maintain all files and records until further notice from DHCD.

XXII. Tracking of Program Participants and Applicants

A. The Contractor must use its best efforts to monitor program participants for a period of 12 months. The purpose of this tracking activity is to quantify the success rate of the program's ability to help participants maintain their housing situation and/or transition from homelessness to stable housing.

B. The Contractor will also undertake tracking activities to determine the current housing status of applicants that were denied for program assistance.

C. DHCD, in consultation with its sub-contractor for program evaluation services, will determine a reasonable statistical sampling of the number of participants and denied applicants that the Contractor will be required to contact for purposes of determining current housing status.

D. The Contractor agrees to comply with any new and/or revised tracking and monitoring requirements pursuant to written notification by DHCD.

XXIII. Web Based Reporting

A. The Contractor is responsible for accurately preparing all reports required by DHCD, and for submitting any reports required by DHCD in a timely manner.

B. The Contractor will use DHCD's RAFT secure web site for reporting purposes. The Contractor must enter complete data for all applicants that have been denied for funding and all applicants that have been approved for funding.

C. The Contractor will use its best efforts to obtain any missing application information from applicants, for data entry and reporting purposes.

D. The Contractor is responsible for complying with all legal requirements pertaining to the use, maintenance, and dissemination of confidential information.

XXIV. Accounting and Fiscal Management

A. The Contractor is responsible for establishing a comprehensive financial management system and related internal controls to ensure that funds are spent in an efficient and effective manner.

B. This includes but is not limited to, maintaining the accounting books and records according to generally accepted accounting principles and any other DHCD requirements, preparing annual operating statements and financial statements, cash management of income and expenses, including the distribution of funds made on behalf of each program participant.

XXV. Guideline Revisions

DHCD reserves the right to revise these guidelines. Revisions may be necessary in order to clarify existing guidelines or issue additional guidelines as a result of policy changes. Any revisions to the existing guidelines will be effective as of the date of notification from DHCD to the Contractor.