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Local Commissioners Memorandum

Section 1

Transmittal:	21-LCM-24
To:	Social Services District Commissioners
Issuing Division/Office:	Employment and Income Support Programs
Date:	December 13, 2021
Subject:	New York State Rental Supplement Program
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Attachments:	Attachment A – 2021-2022 Rental Supplement Program Allocation Attachment B – 2021-2022 Rental Supplement Program Plan

Section 2

I. Purpose

The New York State Fiscal Year 2021-2022 Budget appropriates \$100 million to provide rental supplements to individuals and families, both with and without children, who are experiencing homelessness or are facing an imminent loss of housing, regardless of immigration status. The purpose of this Local Commissioners Memorandum (LCM) is to notify social services districts (districts) of the option to participate in the New York State Rental Supplement Program (RSP) and to provide 2021-2022 RSP allocations and general program guidance. Districts choosing to participate in the RSP must submit a 2021-2022 Rental Supplement Program Plan (Attachment B) for approval which details the intended use of their allocation as well as their anticipated RSP start date.

II. Background

The RSP is a program established to provide vital rental assistance to individuals and families, regardless of immigration status, who are experiencing homelessness or are facing an imminent loss of housing. The RSP is available to individuals and families both with and without children. Districts may choose to retain their allocation and use district mechanisms (e.g., direct administration or transfer of funds to county agencies) to operate this program or may delegate the administration of this program, in full or in part, to another public agency, contractor or non-profit organization. The RSP will give districts the flexibility to develop a program that meets the needs of their underserved populations while working within the framework of certain minimum eligibility requirements established by the governing statute.

III. Program Implications

A. Program Activities and Services

Districts choosing to participate in the RSP must submit a Rental Supplement Program Plan (Attachment B) to OTDA for approval that provides details regarding the administration of their local program and the intended use of their allocation. Districts are encouraged to complete and return Attachment B to OTDA **as soon as possible, but no later than February 15, 2022**. Supplements shall be made available in accordance with district plans, provided however that certain minimum eligibility requirements are established as outlined in this LCM.

Supplements provided through the RSP will not be part of the standard of need pursuant to Social Services Law §131-a, and therefore would not be considered by ABEL when computing financial eligibility for Temporary Assistance (TA) (e.g., the supplement is not used for TA eligibility when computing the needs or gross income tests). When computing a budget for a TA recipient who is receiving a supplement, the shelter cost must be removed from the budget provided that the supplement covers the entire shelter cost. In addition, RSP supplements shall not be subject to recoupment or repayment unless there is a determination that the application submitted was fraudulent, or otherwise identified as ineligible, and the application should not have been approved.

B. Program Eligibility and Program Requirements

While districts have flexibility regarding the development of a Rental Supplement Program Plan, the governing statute outlines some minimum requirements for participant eligibility as follows:

- Eligible participants are individuals and/or families, both with and without children, who are experiencing homelessness or facing an imminent loss of housing, regardless of immigration status;
- Households must earn no more than 50% of area median income (AMI) at the time of application based on location and household size, with initial priority given to households who earn no more than 30% of AMI;
- Rental supplement amounts shall be set at 85% of local Fair Market Rent (FMR) values with a district option to pay up to 100% of FMR using local funds;
- At least 50% of the supplements shall be allocated for households who are currently in a shelter or experiencing homelessness, unless sufficient demand does not exist for such households within the district;
- A household's financial contribution will be limited to 30% of their household's total earned and/or unearned income;
- 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; and,
- Receipt of TA is not a requirement for determining eligibility for the RSP.

Rental Supplement Program Plans must provide a comprehensive outline of each district's proposed program and must address, at minimum, the following:

1. Specific details regarding how eligibility for a rental supplement will be determined, including the aforementioned eligibility requirements, as well as any target populations identified;
2. Information regarding how contributions towards rental costs from individuals outside the household will be verified and what standards will be applied in determining whether such contributions can be sustained in the future;
3. An assessment of how the district will ensure that the rental costs are legitimate and are the responsibility of the recipient (e.g., lease or letter from landlord);
4. The process for which clients will be expected to advise the district/contracted agency of household changes and how resulting modifications will be handled (rent increases, changes in household composition, etc.);
5. A description of 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

set forth in the district's plan, the denial/closing letter must support the decision by explaining the criteria and the district's decision that the household does not meet such criteria. 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, months/term included and any applicable tenant protections resulting from receipt of the RSP;

6. An explanation of whether there will be any health and safety standards that must be adhered to prior to paying rental supplements at a specific location; and,
7. A plan for ensuring that households do not receive duplicate benefits from other sources that may assist with paying future rent/ongoing rental supplements.

Eligibility is determined based on a household's current monthly income at the time of application. Applications are to be accepted on a first come, first-served basis according to the eligibility parameters set forth at the local level. While districts have flexibility in determining the overall design of their local RSP, they are encouraged to make extra efforts to ensure prioritization of certain households, such as those with children under the age of six, single individuals with a history of housing instability, veterans, individuals and families experiencing domestic violence (DV), and other victims of violence. Though TA eligibility is not a factor in determining eligibility for the RSP, operators are encouraged to refer RSP applicants for assistance applying for applicable benefit programs, such as TA, Home Energy Assistance Program (HEAP), Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI).

Notifications regarding eligibility determinations (e.g., approvals, denials, and closings) must be maintained in the case record for a minimum of six years following submission of the final expenditure report.

C. Allocations

A total of \$100 million is available annually to support the RSP. While all funding is subject to legislative enactment each year, continuing funding support for the RSP is expected. The 2021-2022 RSP district allocations are listed in Attachment A and have been determined based on each district's relative share of TA households as of March 31, 2021, as well as the distribution of renter households under 30% of the local AMI, based on the US Census Bureau 2015-19 Public Use Microdata Sample. RSP allocations may be adjusted in future award years based on factors including statewide utilization and ongoing local rental supplement needs.

D. Reporting Requirements

Reports that describe the progress of RSP activities and households served will be required on at least a quarterly basis. A reporting format is under development and will be distributed to participating districts.

Minimally, reports must include information related to payments made through the RSP (e.g., dates issued, periods covered, households on behalf of which payments are made, payees, supplement amounts, local contribution to the subsidy (where applicable), etc.), the number of households served, and certain demographic information including receipt of TA, household size and composition, number of contributing household members, household income levels, shelter or homelessness status at the time of application, priority group identification (if applicable) and TA case number (if applicable). Districts must also establish identifiers for the heads of household (RSP applicants) as well as a unique household tracking number.

Coordination with the local HUD-funded Continuum of Care (CoC) is encouraged, in order to support each district's ability to track services and outcomes related to participation in the RSP. Additionally, coordination with the CoC will assist districts in avoiding a duplication of benefits with other supplement programs that may exist in each local area.

Districts and/or program operators, as applicable, are required to provide OTDA or its designees access to the program records during the course of the project. RSP projects will be monitored by OTDA on a regular basis and may include onsite visits as well as regular telephone contact and/or case reviews. The goal of monitoring is to ensure the terms of the RSP are being met in accordance with State legislation. In addition, monitoring enables OTDA to provide technical assistance, where necessary, to assist the district and/or program operator to meet the overall intent of the RSP. It is the responsibility of the district to monitor any and all subcontracts. Districts must ensure the confidentiality of records concerning project participants.

IV. Reimbursement Structure and Allowable Costs

RSP payments for the initial 12-month period will consist of an advance of 25 percent of the district's allocation. The remaining 75 percent of the allocation will be paid as claims are submitted to substantiate payment. Allocation and reimbursement for the second year, beginning 12 months following the district's approved initial commencement date but no sooner than December 1, 2022, will be contingent on continued availability of funds and local district need.

RSP funding is made available for districts to provide vital rental assistance to eligible households and as such, it is expected that a minimum of 85% of the funds will be used toward rental supplements in accordance with the guidelines outlined herein. OTDA has set a 15% spending limitation on administrative costs.

Agencies should limit the amount of administrative costs necessary to operate the RSP to maximize both the amount of funds available to pay rental supplements and the number of households enrolled. The use of RSP funds for administrative purposes must be directly related to the provision of rental supplements to eligible individuals and families.

For districts opting to assign all or a portion of their RSP allocation to another public agency, contractor or local nonprofit organization, districts will be held liable for assigned funds not used in a manner consistent with the purpose of the RSP allocation.

Districts are required to submit all claims for reimbursement through the Automated Claiming System (ACS) regardless of whether they elect to operate the program in-house or transfer the administration to another entity. RSP claims must be for services provided during the district's approved initial 12-month period and must be claimed in a timely manner after provided. Additional claiming information will be provided to districts who choose to operate an RSP.

V. Necessary Action

Districts who elect to receive this funding must also complete and submit the Rental Supplement Program Plan (Attachment B). Districts are encouraged to complete and return Attachment B to OTDA as soon as possible, but no later than February 15, 2022. Advances will be remitted following the approval of each district's Attachment B, and in accordance with their anticipated RSP commencement date.

Issued By:

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