



Local Commissioners Memorandum

Section 1

Transmittal:	25-LCM-04
To:	Social Services District Commissioners
Issuing Division/Office:	Employment and Income Support Programs
Date:	April 25, 2025
Subject:	2025-2026 New York State Rental Supplement Program Allocations
Contact Person(s):	Temporary Assistance Bureau (518) 474-9344 tabureau@otda.ny.gov
Attachments:	Attachment A – 2025-2026 Rental Supplement Allocations Attachment B – 2025-2026 Rental Supplement Program Plan Attachment C – Rental Supplement Program Claiming Instructions Attachment D – 2025-2026 Rental Supplement Program Simplified Quarterly Report

Section 2

I. Purpose

The New York State Fiscal Year 2024-2025 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) for the 2025-2026 program year. Additionally, this guidance provides the 2025-2026 RSP allocations and general program information. Districts choosing to participate in the RSP must have a Rental Supplement Program Plan (Attachment B) on file which details the intended use of their allocation for each program year and includes an adjusted fair market rent (FMR) chart for the new fiscal year.

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.

III. Program Implications

A. Program Activities and Services

For the 2025-2026 RSP cycle, OTDA has combined each district's prior RSP plans into one document per district that includes current FMR rates. Updated plans were disseminated to districts individually in advance of this LCM. Districts choosing to participate in the 2025-2026 RSP **must** confirm receipt of their updated plan and notify OTDA if there are any changes to their plan, or confirm that there are no changes, **as soon as possible, but no later than May 5, 2025**. It is expected that services will continue for eligible households transitioning into the 2025-2026 program cycle without interruption. Districts who did not opt in to the RSP during a prior cycle are encouraged to reach out to OTDA to develop a 2025-2026 RSP plan. OTDA is also available to assist districts who would like insight ascertained from districts with programs functioning seamlessly and/or at full capacity. RSP 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 for individuals or families applying for or in receipt of Public Assistance (PA), and therefore would not be considered by ABEL when computing financial eligibility for PA. When computing a budget for a PA recipient who is receiving an RSP supplement, the shelter cost not covered by the RSP, or any other program, must be entered into the budget unless 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 local RSP, 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;
- Household income shall be 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 a household's total monthly rent is 30% or less than their total monthly income, at which point the housing will be considered affordable for the individual/family and the supplement will end; and
- Receipt of PA is not a requirement for determining eligibility for the RSP.

Additionally, districts must make sure they have policies and procedures in place to:

- Establish that the supplement recipient is the primary tenant (e.g., require a lease or other documentation);
- Establish the rent obligation of the supplement recipient and how contributions from individuals outside the household will be taken into consideration;
- Take reasonable steps to prevent the duplication of benefits;
- Establish a process for handling fraudulent applications, including a procedure for recouping funds, if necessary; and,
- Establish a process for reviewing and considering appeals of applications that are denied or vouchers that are reduced or ended.

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

- Specific details regarding how eligibility for a rental supplement will be determined as well as any target populations identified;
- The process for handling modifications (moves, rent increases, changes in household composition, etc.);
- 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; and
- 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.

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. Districts must establish a recertification process, including the length of the local recertification period, but recertifications shall occur at least annually.

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 PA 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 PA, 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 program year 2025-2026 RSP district allocations are listed in Attachment A and have been determined based on each district's relative share of PA households as of March 31, 2022, 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

As part of their participation in the RSP, districts must keep data about each household that participates in the RSP from the point of application throughout participation in the program and must submit RSP reports on a quarterly basis. These quarterly reports are utilized to compile the annual report required by RSP legislation. In addition, on time reporting allows districts and the State to answer questions, many required by the RSP legislation, about how the RSP is being implemented in each district and to inform future programs to support those in need of housing in New York State.

While OTDA is not requiring districts to submit household-level data at this time, OTDA has provided a template with the household-level data elements that are required to complete the RSP reports. Districts may consider utilizing this optional household-level tracker as it is helpful with compilation and completion of the mandatory report.

This LCM modifies the reporting instrument and requirements set forth in 24-LCM-02 and distributed to districts for prior years of RSP reporting. In the first three years of RSP, districts reported activity during the quarter as well as cumulative activity by groups of households applying for and entering the program. Now that RSP has been operating for several years, OTDA is shifting the reporting to only cover activity during each RSP program year, by quarter. In addition, for those households already receiving the supplement at the start of the new RSP program cycle, OTDA is no longer requiring districts to report on the AMI, public assistance, single vs family, and homeless/shelter status at the time of application. OTDA will use previously reported information to report those characteristics for households who began receiving RSP supplements in the first years of the program. The new report still requires districts to report characteristics for applications approved and denied during the quarter. The new reporting template is provided as Attachment D.

2025-2026 RSP reports are due on or before July 10, 2025 (for the period April 1, 2025, through June 30, 2025); October 10, 2025 (for the period July 1, 2025, through September 30, 2025); January 10, 2026 (for the period October 1, 2025, through

December 31, 2025); and April 10, 2026 (for the period January 1, 2026, through March 31, 2026). RSP reports must be submitted quarterly as long as there are still clients receiving a supplement through this program.

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

Allocations for the 2025-2026 RSP will be made immediately available to participating districts retroactive to April 1, 2025, to prevent any interruption in supplement payments for eligible households currently enrolled in the 2024-2025 RSP. District allocations will be paid as claims are submitted to substantiate payment. Districts that did not opt to participate in the RSP during the initial year may be able to receive an advance of 25 percent of the district's RSP allocation payments for the initial 12-month period.

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 (including, in limited instances, rental arrears and security deposits) 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 expenditures from April 1, 2025, through March 31, 2026, and must be submitted in a timely manner. Additional claiming information is included in Attachment C.

V. Necessary Action

Districts who elect to receive this funding must have an updated 2025-2026 RSP Plan. Districts are encouraged to submit changes to their Plans, or confirm that no changes are required, as soon as possible, but no later than May 5, 2025.

In order to expedite the review and approval of RSP Plans for districts who operated during the 2024-2025 program year, OTDA provided each district with a version of their RSP Plan that includes previously submitted information. Districts must note any changes to their Plans by highlighting or italicizing the changes on this version of their Plan.

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