Effective January 1, 2022, the federal government made a 5.9% change to the Supplemental Security Income (SSI) benefits and changes to the Housing and Urban Development (HUD) Fair Market Rents.

Residential Habilitation (RHS) and Supported Living (SLH) service providers must annually update the Application for each person participating in the Community-Based Housing Allowance Program. The Application indentifies the Division’s and the person’s participation in meeting the provider’s room and board shortfalls. The revised application indicates the balance of rental costs for January 1, 2022, through December 31, 2022, that must be paid by the person.

A revised 2022 Housing and Urban Development (HUD) fair market rental reimbursement guideline is attached. Guidelines are revised annually to reflect rental increases or decreases made effective in January of each year.

Submit a revised Housing Allowance Application, for each person needing assistance, to the division office before the January housing allowance payment request. To assure accurate and timely payment, submit each Application to the division office in enough time to generate the 520 provider billing on January 20th.

Attachments:
125% of 2022 HUD Fair Market Rents
Community-Based Housing Allowance Program
COMMUNITY-BASED HOUSING ALLOWANCE PROGRAM (HAP)

Effective January 01, 2022

Service Guidelines

A) SERVICE DEFINITION:
The Community-Based Housing Allowance program assists individuals participating in a Division of Services for People with Disabilities (DSPD) residential program to meet the housing costs attributable to the acquisition, retention, use, and occupancy of a personal home or community living supports arrangements. The Community-Based Housing Allowance program is a Human Services State Agency Grant and is not counted as income towards the individual’s benefits. These funds should be given to the provider or landlord and not directly to the individual.

B) ELIGIBILITY FOR SERVICES:
Any person who is eligible for residential services provided by DSPD, and who does not have sufficient income and assets to pay for their total housing costs may be eligible to receive a Community-Based Housing Allowance. Persons who are currently receiving Housing and Urban Development (HUD) or other housing allowances are not eligible to receive a community-based housing allowance.

C) APPLICATION:
The division director (or designee) shall determine the appropriateness of providing a Community-Based Housing Allowance to support the person to meet their housing costs. The Community-Based Housing Allowance program may be considered after all other funding options have been pursued, including HUD Section 8 supplement. All individuals must be on their respective county/city HUD Section 8 housing list, if appropriate, in order to be eligible for this program.

Division staff/providers shall assist any eligible person(s) to complete an application to receive a community-based housing allowance. The division director (or designee) must review and approve all applications to the community-based housing allowance program.

D) AUTHORIZATION TO PARTICIPATE:
All recipients of Community-Based Housing Allowances must have an approved community-based housing allowance application in place to certify that the person is authorized by the division director to receive a housing allowance. Copies of the authorized application should be distributed to the recipient and the landlord/provider. A copy of the application should be maintained in the individual’s record. This application is renewed annually based upon the individual’s need for continued assistance.

E) ALLOWABLE HOUSING COSTS:
Costs that may be subsidized include, but are not limited to, the following:
• Rent or other periodic payments for the use and occupancy of the residence

• Security deposits

• Utilities including heat, electricity, gas, water and sewage

• Costs relating to routine maintenance and repair of the residence

F) ELIGIBLE RESIDENCES:
A community-based housing allowance may be used to support a person to live in any home that adheres to the following:

• The home must meet state and local fire and safety standards.

• Residential structures that may be subsidized under the community-based housing allowance may include, but are not limited to: single-, two-, or three-family homes, duplexes, apartments, condominiums, mobile homes, and Division-contracted group homes.

• The rent or other periodic payments for use and occupancy of the home must be 125 percent or less than the fair market rent for the area as established by the Department of Housing and Urban Development (HUD). Fair market rents, as defined by HUD, include the cost of rent and basic utilities. Basic utilities include: heat, hot water, electricity, and cooking fuel.

The division director may grant an exception based on a written request by the support services coordinator that demonstrates one of the following:

• Higher housing costs in the area based on a review of at least two comparable properties. The housing costs of the proposed residence must be within 10 percent of the comparable properties.

• An inability to meet the specialized needs of the eligible person in housing that is within the cost guidelines and evidence that the housing costs of the proposed residence are within 10 percent of at least two comparable properties in the area.

G) ALLOWANCE AMOUNT:
The monthly housing allowance for most recipients equals the person’s total monthly housing costs less 43% (supported living) or 53% (residential habilitation) of their adjusted monthly income. Earned Income is adjusted by a disregard of 20%. All persons who receive a community-based allowance must make a financial contribution towards their monthly housing costs. The Division may establish a maximum allowance amount cap that may vary annually based upon available resources. This subsidy amount shall not normally exceed more than 50% of the individual’s housing expenses. The Division may establish a cap on the number of participants in this program and reimburse individuals participating in this program at less than 100% of their determined allowance needs, based upon available allocations. Once available division funds have been allocated, a waiting list will be established by the Division for those individuals who desire to participate in this program and for those individuals who are not receiving 100% of their determined allowance needs.

When a person’s regular source of income is disrupted, the person may receive a full housing allowance that covers their total monthly housing costs until an additional source of income is in place. Retroactive payments from benefits must be used to reimburse the Division for any expenses paid for housing costs. The
division director must approve any full housing subsidies that extend beyond two consecutive months.

H) RE-EVALUATION OF THE HOUSING ALLOWANCE:
The amount of monthly Community-Based Housing Allowance that a person receives shall be re-evaluated at the time of the individual’s supports plan meeting, or whenever there is a significant change in the person’s monthly income or expenses. An increase or decrease in income of $100 or more per month, for two consecutive months, is considered a significant change in income or expenses. Residential providers will assist the individual in notifying the division when income has increased and/or decreased. The amount of housing allowance a person is eligible for shall be computed using figures supplied on the Income Verification form and reviewed by the region director or their designee.

I) INITIAL HOUSEHOLD EXPENSES:
Persons residing in Division-funded supported living, who do not have sufficient income or assets to cover the initial costs of setting up a new household, may receive a one-time payment of up to $200 for initial household expenses, including food staples and household supplies. This one-time payment for household expenses shall be documented on the Community-Based Housing Allowance application form.

J) LEASING:
If a lease is required to secure rental housing, the person’s circle of support shall make a determination regarding the recipient’s capacity to execute the lease. A housing allowance recipient who is determined to have the capacity to execute a lease may sign the lease on their own behalf. If the person is determined to lack the capacity to execute a lease, or if a guardian or conservator has been appointed, arrangements must be made for the lease to be signed by the guardian or conservator or another party who is not an employee of the State. Providers may co-sign or be joint tenants on the lease in order for the individual to qualify.

K) SECURITY DEPOSITS:
Recipients residing in Division-funded supported living who have sufficient assets to pay their share of a required security deposit, should pay the deposit out of personal funds. Persons who do not have sufficient assets to pay required security deposits on rental property may apply to the Community-Based Housing Allowance program for assistance to pay the security deposit. Security deposits and any accrued interest must be returned to the Division within three years of date of receipt. The balance of any security deposit funds owed to the Division must be returned in a lump sum payment whenever the security deposit is refunded to the recipient or the person becomes ineligible to receive a housing allowance.

L) SECURITY DEPOSIT REIMBURSEMENT:
Returned security deposits should be dispersed as follows:

- Recipients should receive the amount equal to the portion of security deposit they have paid out of personal funds plus any accrued interest on that amount.

- The Community-Based Housing Allowance account should be reimbursed for the total amount of the security deposit paid from that account plus any accrued interest on that amount.

M) WITHHELD SECURITY DEPOSIT:
Recipients are responsible for repairs or payment of the cost of any repairs necessary due to damage beyond normal wear and tear of a subsidized residence. Any portion of the security deposit withheld by the landlord or rental agent due to damages to the residence, caused by the individual, is the financial responsibility of the recipient.
## Calculation of the Community-Based Housing Allowance

The income verification form is used to supply the income and rental/lease costs needed to compute the Division of Services for People with Disabilities housing allowance. This form must be reviewed and submitted annually at the first of the year.

The computation form can be used to compute the actual allowance. The allowance will be computed by the state office using the information supplied on the application form. Backup documentation for audit purposes must be kept by the individual for all information supplied on the application form. This documentation must be supplied to the state representative upon request.

### COMputation FORM

**Earned Income:**
1. Monthly Wages (gross) ______
2. x 80% = Total Earned Income ______

**Unearned Income:**
3. SSDI/SSA ______
4. + SSI ______
5. + VA/Other ______
6. Total Unearned Income ______
7. + Earned Income (Line 2) ______
8. Total Applied Income ______

9. x 43% or 53% = Recipient Share ______
   43% = Supported Living
   53% = Community Living Supports or Residential Habilitation

**Monthly Expenses:**
(Based Upon the Individual Share of Costs)
10. Monthly Rent/Lease ______
11. + Utilities* ______
12. + Other Costs (specify) ______
13. = Housing Costs ______
14. HUD Fair Market Cost ______ (See Chart)
15. Recipient Share (Line 9) ______
16. = **Monthly Allowance Amount ______
17. Security Deposit Amount ______

Individuals who reside in community living supports will pay the provider or landlord for rent, the amount on line #9, or the amount on line #13, whichever is less, if the Division makes no payments. The individual shall not pay more rent than the recipient’s share on line #9 without state approval. **If the individual’s “Total Applied Income” is less than $841, the Division will provide additional supplement to assist the individual in meeting the “Recipient’s Share” up to $529 if line #13 is greater than $529.**
** The Division will not reimburse monthly Allowance Amounts less than $5.00. If the monthly Allowance Amounts is less than $5.00, add it to the individuals share of rent.

#10 = Monthly Rent/ Lease costs divided by number of individuals in the home

#11 = Monthly Utilities divided by number of individuals in the home

#12 = Other Monthly Costs divided by number of individuals in the home

#16 = Line 13 or line 14, whichever is less, minus line 15

*In order to include the utilities, share, the individual should be on a 12-month budgeted payment plan with the utility company. This is strongly encouraged for individual’s in supported living to assure adequate monthly funds to meet rental obligations on a monthly basis. If a budgeting plan is not available from the utility company, the previous year’s utility bills must be used to verify actual costs. If there is no utilities history, an estimate from the power company of the previous renter’s annual average utility costs should be used. The participant must apply for any energy assistance programs for which he or she may be eligible. Amounts included, as utilities must be amounts actually paid for utilities. Utilities may not be estimated and may not include telephone or cable TV.

To determine the person’s earned income, multiply the total gross wages received during the last month (or the average wages over the last six months, if income is not stable) by 80%.

To determine the person’s unearned income, sum all state and federal entitlements such as SSI, SSDI/SSA, Veterans, retirement funds, pensions, trust funds, interest from significant interest-bearing accounts, and any other regular source of income.

The recipient share to be paid towards housing expenses is determined by multiplying the person’s total applied income by 43%, if they are participating in supported living, or 53%, if they are participating in a community living supports arrangement.

The person’s monthly housing costs are equal to the sum of the monthly rent or other periodic payments for use and occupancy, the utility costs, and other allowable housing costs, divided by the number of individuals in the home.

Other allowable housing costs include liability insurance premiums, initial household expenses, cost relating to the general maintenance and repair of the residence. Other periodic housing costs are allowable up to 15% of the total monthly housing costs. The division office must approve costs beyond the 15% allowable. An explanation of these costs should be included in the comment section at the bottom of the form.

To determine the amount of the Division of Services for People with Disabilities housing allowance the person is eligible for, subtract the recipient share from the total monthly housing costs or 125% of HUD Fair Market Cost which ever is less.

All information noted on the form should be able to be verified, upon request, through back-up documentation, including copies of pay stubs, entitlement checks, leases, and records of utility payments.