
COMMUNITY-BASED HOUSING ALLOWANCE PROGRAM

Financial directive

Directive 2.3

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Forms: Community-Based Housing Allowance Program Application

Effective **January 1, 2025**, the federal government made a 2.5% increase 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 identifies 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, 2025, through December 31, 2025**, that must be paid by the person.

A revised 2025 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.

Division staff and providers must submit a revised Housing Allowance Application, **for each person needing assistance**, to the division 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 16, 2025.

Attachments:

125% of 2025 HUD Fair Market Rents
Community-Based Housing Allowance Program

COMMUNITY-BASED HOUSING ALLOWANCE PROGRAM (HAP)

Effective January 01, 2025

Service guidelines

A) SERVICE DEFINITION:

The Community-Based Housing Allowance (HAP) program assists persons 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. HAP is a Human Services State Agency Grant and is not counted as income towards the person's benefits. These funds should be given to the provider or landlord and not directly to the person.

B) ELIGIBILITY FOR SERVICES:

Eligibility for the HAP program is limited to persons who are eligible for residential services provided by DSPD and who do not have sufficient income and assets to pay for their total housing costs per the application worksheet. New enrollees to the program are limited to persons who are transitioning out of an Intermediate Care Facility (ICF) as part of the Community Transition Waiver (CTW). Those already participating in the HAP program on other waivers continue to be eligible for the HAP program, as long as they still qualify based on the other waiver requirements. If additional funding is made available during the year, DSPD will send out a notice to support coordinators and providers informing them of the available funding. Persons who are currently receiving Housing and Urban Development (HUD) or other housing allowances are not eligible to receive a community-based housing allowance. Persons newly approved for the Community-Based Housing Allowance after January 1, 2024, will be limited to 3 years or less on the program, depending on available funding. Persons who have maintained continuous enrollment on their respective county/city waiting list for the Housing Choice Voucher (also known as Section 8), without receiving assistance, during the 3 year period may be granted an exception to this limitation by the division director (or designee). Renewal applicants who started the program prior to January 1, 2024, are not subject to the 3 year limitation.

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 the HUD Housing Choice Voucher (Section 8) program. All persons must be on their respective county/city HUD Housing Choice Voucher (Section 8) waiting list, if appropriate, in order to be eligible for the HAP program. Verification that the applicant is on their respective county/city Housing Choice Voucher (Section 8) waiting list must be submitted with the community-based housing application and re-verified annually to ensure they remain on the housing agency waitlist.

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 given to the recipient and the landlord/provider by the support coordinator. A copy of the application should be maintained in the person's record. This application is renewed annually based upon the person's need for continued assistance and must include updated income and rental amounts.

E) ALLOWABLE HOUSING COSTS:

Costs that may be subsidized include the following:

- Rent for the use and occupancy of the residence
- 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. The home must also meet state and local licensing and certification requirements.
- 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. Rent and utilities should be listed separately on the application for HAP. Basic utilities include: heat, hot water, electricity, and

cooking fuel. If housing costs exceed the fair market rental costs as outlined in the application, the request will be denied unless an exception is granted by the division director.

The division director may grant an exception based on a written request by the support 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 with similar amenities, utilities, square footage, and bedroom size as the proposed unit.
- 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 shall equal 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 housing allowance under this program 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 person's housing expenses. The division may establish a cap on the number of participants in this program and reimburse persons participating in this program at less than 100% of their determined allowance needs, based upon available allocations. 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 beyond the benefit amount. 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 HAP that a person receives shall be re-evaluated at the beginning of the calendar year, 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 person in notifying the division and support coordinator when income has increased and/or decreased by submitting a revised community based housing allowance application to avoid a possible payback to DSPD, if applicable. If a payback is the result, the person should not be held liable, and the provider shall be responsible for the payback owed. If the provider and support coordinator disagree with the amount owed, they can request an appeal to the division director (or designee), in writing, within 1 week after payback is issued.

I) LEASING:

If a lease agreement 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 agreement. A housing allowance recipient who is determined to have the capacity to execute a lease agreement, and does not have a legal guardian over housing, should sign the lease on their own behalf. If the person is determined to lack the capacity to execute a lease, or if a legal guardian or conservator has been appointed to make decisions over housing, 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 with the recipient in order for the person to qualify.

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 calculate the actual allowance. The allowance will be calculated by DSPD using the information supplied on the application form. Backup documentation for audit purposes must be kept by the person for all information supplied on the application form. This documentation must be made available to appropriate DHHS staff 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 Costs)

10. Monthly Rent/Lease _____
11. + Utilities* _____
12. + Other Costs (specify) _____
13. = **Housing Costs** _____
14. HUD **Fair Market Costs** _____ (See Chart)
15. Recipient Share (Line 9) _____
16. = **Monthly Allowance Amount _____
17. **Securit Deposit Amount** _____

Persons who reside in community living or residential habilitation 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 person shall not pay more rent than the recipient's share on line #9 without state approval. **If the person's "Total Applied Income" is less than \$967, the division will provide additional supplement to assist the person in meeting the "Recipient's Share" up to \$567 if line #13 is greater than \$567.**

**** The division will not reimburse monthly allowance amounts less than \$5.00. If the monthly allowance amount is less than \$5.00, add it to the person's share of rent.**

#10 = Monthly rent/ Lease costs divided by number of persons in the home

#11 = Monthly utilities divided by number of persons in the home

#12 = Other monthly costs divided by number of persons in the home

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

*In order to include the utilities share, the person should be on a 12-month budgeted payment plan with the utility company. This is strongly encouraged for persons 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 including but not limited to the Home Energy Assistance Target (HEAT) Program. 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 persons in the home.

Other allowable housing costs include liability insurance premiums, initial household expenses, and costs 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 finance staff reviewing and approving the full application must approve costs beyond the 15% allowable. An explanation of these costs should be included in the comment section at the bottom of the application. Any request above the 15% will require documentation of costs beyond what is allowable.

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**, whichever is less. If housing costs exceed the fair market rental costs as outlined in the application, the request will be denied unless an exception is granted.

All information noted on the form must be verifiable with supporting documentation, upon request.