

COVID-19

Homeless System Response: Designing a Centralized Rent Administration Program

As new resources become available to respond to the COVID-19 crisis, communities are thinking strategically about how to maximize their funding and improve efficiencies within their homeless response and housing systems. One strategy to improve system efficiency is to utilize new COVID-19 resources, including Coronavirus Emergency Solutions Grants (ESG-CV) funds, to establish a centralized rent administration program to support rental assistance programs in each community.

Centralized Rent Administration Programs

A **centralized rent administration program** includes a central entity that is responsible for financial operations and management for local rental assistance programs available to homeless and housing service providers. The program serves as an intermediary between the sources that fund rental assistance, service providers, and landlords. This centralized structure can provide a number of local benefits, particularly during the current surge in funding to communities in response to COVID-19. It may:

- Keep rental assistance pooled in one contract to be nimble and responsive to community needs;
- Address provider-level capacity issues affecting financial management and operations;
- Reduce administrative burden for service providers, allowing for increased provider focus on case management and service provision; and
- Provide opportunities to address racial and geographic inequities in funding disbursement.

With the proper controls, a centralized rent administration program can coordinate rental assistance funds from various federal, state, and local sources, including ESG, ESG-CV, and CoC funds.

Key Elements of a Centralized Rent Administration Program

The primary function of a centralized rent administration program is financial management, distribution, and reporting for the pool of local rental assistance funding available to homeless and housing service providers. Within this role, the responsible entity conducts the following activities:

- Manages the pool of rental assistance funding resources;
- Develops and manages the system by which rental assistance is distributed;
- Selects the best funding source to provide assistance to individual households based on information provided through intake, assessment, and case management;
- Disburses funds for rental assistance ("check cutting") to landlords consistently and on time; and
- Manages backend compliance with landlords regarding financial regulations and requirements (e.g., mailing 1099 forms).

Additional functions and layers of coordination can be added to the administrator role based on local need and the capacity of local service providers, including managing landlord relationships, identifying available rental units, conducting unit inspections, and conducting income determinations. However, the main goal of the program should be to centralize rental assistance funding and financial management.

The entity providing centralized rent administration must be a high-capacity organization that is able to manage, report, and maintain funding availability to multiple subrecipients across multiple funding sources. This includes being able to monitor for compliance with the U.S. Department of Housing and Urban Development (HUD) and other federal and local regulations and to manage cash flow in an efficient and timely manner. Additionally, the entity must have the financial capacity and flexibility to provide funding on behalf of providers and wait for reimbursement, which may take weeks to months. Please see this [sample Request for Proposals \(RFP\) for a Rapid Rehousing \(RRH\) Financial Assistance Intermediary](#) for an example of specific criteria that may be used to identify an appropriate entity to serve as a centralized rent administrator.

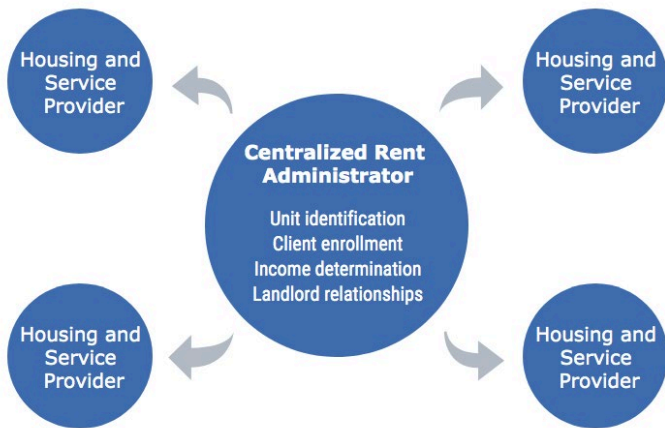
Important Note

It is crucial that the roles of the centralized rent administration program and of local homeless and housing service providers be clearly defined during project design. While the centralized rent administrator is responsible for financial management of rental assistance funds, service providers will be responsible for working directly with households to provide case management and supportive services. Responsibility for managing landlord relationships, identifying rental units, and conducting income and eligibility determination should be defined during program design and in collaboration with relevant local parties.

Different Models of Centralized Rent Administration Programs

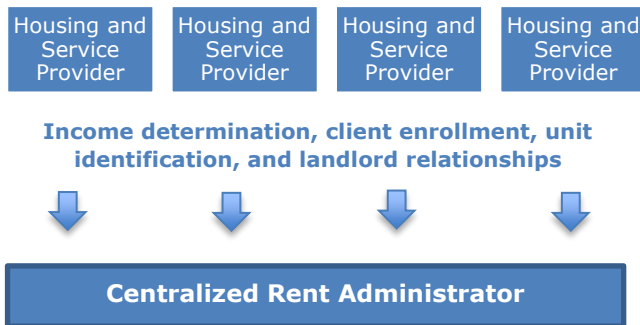
There are two primary models of centralized rent administration programs: a “hub and spoke” model and a program foundation model. Communities should determine which model will work best for them based on the capacity of their centralized rent administrator and their local housing and service providers, along with the system level structures to support cross-program coordination that already exist in the community.

Figure 1. Centralized Rent Administration—“Hub and Spoke” Model



In a “hub and spoke” model, client referrals flow from coordinated entry (CE) to the centralized rent administrator and then to local housing and service providers. In this model, the centralized rent administrator operates in a central role of receiving referrals through CE, finding clients, conducting income determinations, determining the source of rental assistance for which the client is eligible, and connecting clients to a service provider and financial assistance based on their eligibility and needs. This model requires that the centralized rent administrator take on coordination functions beyond financial management, but it can improve system-level client enrollment efficiency and effectiveness if the centralized rent administrator has the capacity to serve this role.

Figure 2. Centralized Rent Administration—Foundational Model



In a foundational model, information regarding clients flows from the local housing and service providers to the centralized rent administrator. In this model, local housing and service providers take on the role of enrolling clients, making income determinations, and identifying units. They then bring the request for rental assistance for this household to the centralized rent administrator. The centralized rent administrator serves as a foundational resource for providing rental assistance in this model with a distinct focus on financial management functions, while other coordination functions are carried out by providers.

Case Studies

The following case studies highlight different models of centralized rent administration programs that are working to coordinate financial management and other key functions for homeless and housing response systems in communities across the country.

Community Shelter Board Direct Client Assistance Program—Columbus, Ohio

The Community Shelter Board (CSB) serves as a centralized rent administrator between sources of rental assistance funding and service providers offering short- and medium-term rental, utility, and other financial assistance to households through the Direct Client Assistance (DCA) program. Funding sources coordinated by the DCA program include ESG and Continuum of Care (CoC) funds along with homeless assistance funding provided from local jurisdictions, private sources, and Franklin County Children Services funds. The CSB works in its role as the centralized rent administrator to ensure that the most appropriate funding sources are utilized to provide the different services offered through the DCA program:

- **Homelessness Prevention Program**, which consists of one-time and short-term financial assistance to enable families at risk of becoming homeless to move to or sustain permanent housing. ESG funds are not used towards the provision of homelessness prevention DCA; local, private, and Franklin County Children Services funds are used for this service.
- **Direct Client Assistance Only**, which may be accessed by outreach and emergency shelter staff for clients not enrolled in RRH for one-time and short-term financial assistance to enable persons residing in emergency shelters or experiencing unsheltered homelessness to move into permanent housing. ESG funds are not used towards the provision of DCA only; local and private funds are used instead.
- **Single Adult and Family RRH Programs**, which provide one-time, short- and medium-term financial assistance to enable persons residing in emergency shelters to move into permanent housing while participating in RRH programs. DCA assistance for families in RRH is provided using ESG funding; DCA for single adults uses local funding; and DCA for youth RRH programs uses CoC funding.

CSB provides robust financial management services for DCA, managing all rental assistance disbursement, management, and reporting for the different components of the program with a focus on timeliness. Service providers are responsible for working directly with households to calculate income, identify housing, work with landlords, and provide ongoing case management and supports. This model has helped spend money quickly and efficiently through the DCA program while also providing flexibility to respond to local needs as they emerge.

For more information on Columbus' DCA program, please see the [Columbus and Franklin County Homeless Crisis Response System Policies and Procedures](#) and [DCA Program materials](#).

Home Forward Short-Term Rental Assistance Program—Multnomah County, Oregon

Short-Term Rent Assistance (STRA) is a unified countywide program that provides limited housing assistance (up to 24 months) to households in Multnomah County that are experiencing homelessness or are at risk of homelessness. Home Forward administers the program on behalf of Multnomah County, the City of Portland, and the City of Gresham. Each of these entities previously operated its own short-term housing program. STRA was created in 2006 to consolidate the community's resources to improve efficiency and results, with Home Forward designated as the centralized rent administrator for the consolidated program. STRA is designed to respond quickly when homelessness threatens an individual or family.

The program is designed to address housing instability and homelessness in three different ways:

- 1) Providing emergency hotel/motel vouchers for temporary shelter;
- 2) Helping households in danger of eviction maintain the housing they have; and
- 3) Assisting households experiencing homelessness in obtaining permanent housing.

Assistance can include rent or mortgage payment, deposits and application fees, move-in costs, and support services. These services are provided through 19 public and nonprofit agencies. For more information on the STRA Program, please see [Home Forward's STRA Program webpage](#).

Brilliant Corners Flexible Housing Subsidy Pool—Los Angeles, California

The Los Angeles County Flexible Housing Subsidy Pool (FHSP) is a supportive housing rent subsidy program launched in 2014 as a public/private partnership between Los Angeles County Department of Health Services (DHS) and Brilliant Corners. FHSP combines rent subsidies, landlord engagement, pinpointed tenant/landlord matching, and ongoing tenant services and intensive case management.

Brilliant Corners serves as the operator and centralized rent administrator for the program. The organization administers all rental subsidies for the FHSP, including subsidies for permanent supportive housing (PSH) and RRH. Once a housing unit has been successfully identified for a client and the unit passes inspection, Brilliant Corners enters into a subsidy agreement with the landlord. The type of rental subsidy provided to clients is determined by the program in which the client is initially qualified, such as PSH or RRH. All payments are sent directly to the landlord or property management agency by Brilliant Corners, which uses an electronic accounting system to retain invoices, receipts, and documentation for all rental expenses.

In addition to serving as the centralized rent administrator for FHSP, Brilliant Corners also coordinates several other functions that balance attention to the needs of property owners and program participants, including identifying and securing housing units, conducting unit inspections, matching available housing units to program participants, and assisting with landlord relations.

For more information, please visit [Brilliant Corners' FHSP webpage](#).