CoC Program
Leasing vs. Rental Assistance: Determining How to Classify Your Project on the GIW

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Webinar Format

• Webinar will last approximately 45 to 60 minutes.

• A recorded version of this can be found on HUD’s Homelessness Resource Exchange at http://hudhre.info after September 13, 2012

• Feedback survey will be e-mailed following this webinar.
Submitting Questions in the Webinar

• Audience members are muted due to the high number of participants

• If you have technical difficulty with the audio or video portions of this Webcast, try:
  • Logging off, then logging in again
  • Using the phone for audio
  • Requesting TA through the “questions” function in the “Go To Webinar” toolbar
Submitting Questions in the Webinar

• To pose a question for the CoC Resource Advisor during this webinar, use the “Questions” function in the “GoToWebinar” toolbar.

• CoC Resource Advisor will only have time to answer some questions
If you have a question that is not answered during the webinar, you may submit it to HUD’s Virtual Help Desk at http://hudhre.info/helpdesk.

- Select “Continuum of Care” as your Program/System
- Select appropriate sub-topic
Objectives of the Webinar

Webinar participants will be able to:

1) Describe the recently posted FAQs about rental assistance

2) Know whether the project should select leasing or rental assistance as a budget line item on the FY 2012 GIW
Webinar Components

- Characteristics of Rental Assistance and Leasing
- Applying for Rental Assistance
- Administering Rental Assistance
- Implications for the Grant Inventory Worksheets
Characteristics of Leasing and Rental Assistance
To be considered leasing, the project **must** have the following characteristics:

1. The *recipient or subrecipient* must be the *tenant* of the landowner or sublessor
2. The *program participant* must either be the *sublessee of the* recipient or subrecipient OR have an *occupancy agreement* with the recipient or subrecipient
To be considered leasing, the project must have the following characteristics (cont.):

3. The recipient or subrecipient must pay rent directly to the landowner or sublessor based on actual costs

4. Occupancy charges imposed on the program participant are capped at the income calculation set forth in § 578.77
Characteristics of Leasing

To be considered leasing, the project **must** have the following characteristics (cont.):

5. The recipient or subrecipient is responsible for **100% of the rent** or sublease rent to the landowner or sublessor, even if the program participant does not pay the occupancy charge in a given month.

6. The recipient or subrecipient can **pay rent on a vacant unit**.

7. Leasing dollars **do not** have a matching requirement.
To be considered rental assistance, the project **must** have the following characteristics:

1. **Program participant** must be the **sole party** on the lease with the landowner or sublessor.

2. The recipient, subrecipient or rental assistance administrator **must** have a **written agreement** with the landowner or sublessor governing the payment of rental assistance.
To be considered rental assistance, the project **must** have the following characteristics (cont.):

3. The lease requires the **program participant** to **pay rent directly to the landowner or sublessor** based on the income calculation set forth in § 578.77

4. The **administrator** of the rental assistance **must** be a **State or local government, or a PHA**

* Unless the project was originally funded under the S+C Program and the nonprofit originally administered the assistance
To be considered rental assistance, the project **must** have the following characteristics (cont.):

5. The **recipient**, subrecipient, or rental assistance administrator must make **rental assistance payments** to the landowner or sublessor based on the **difference** between the total rent and the amount paid by the program participant.
To be considered rental assistance, the project **must** have the following characteristics (cont.):

6. The **recipient, subrecipient**, or rental assistance administrator is **not responsible** for the portion of the rent paid by the program participant if the program participant misses a rent payment in any given month.
Characteristics of Rental Assistance

To be considered rental assistance, the project must have the following characteristics (cont.):

7. The recipient or subrecipient or rental assistance administrator cannot make rental assistance payments on a vacant unit except as provided in § 578.51(i)

8. The recipient or subrecipient must provide match for rental assistance funds as set forth in § 578.73
1. Which of the following is a characteristic of rental assistance?

A. Program participant is sole party on lease with landowner
B. The recipient must provide matching funds
C. The program participant pays rent directly to landowner
D. All of the above
Applying for Rental Assistance
Eligible Applicants

The following types of organizations are eligible to apply for grants in the CoC Program*:

- Nonprofit organizations
- State governments
- Local governments
- Instrumentalities of state or local governments

*An eligible applicant must have been designated by the CoC to submit an application for funds
Can a nonprofit apply for rental assistance?

- **New CoC Program Projects**: YES
- **Renewing SHP Projects**: YES
- **Renewing S+C Projects**: N/A
Can PHAs apply for rental assistance?

- **New CoC Program Projects**: NO
- **Renewing SHP Projects**: N/A
- **Renewing S+C Projects**: YES. If the PHA is currently the recipient of the S+C grant
2. Which of the following can apply for NEW rental assistance funds?

A. State Governments
B. Local Governments
C. Nonprofit Organizations
D. All of the Above
Administering Rental Assistance
Administering rental assistance is:

- Contracting for and making rental assistance payments to the landlord
- Conducting the Housing Quality Inspections

* The costs of administering the rental assistance are considered service delivery costs of rental assistance and are **eligible** in the CoC Program as rental assistance costs
Can nonprofits administer rental assistance?

- **New CoC Program Projects**: NO
- **Renewing SHP Projects**: NO
- **Renewing S+C Projects**: YES. If the nonprofit is currently administering the rental assistance.
Can PHAs administer rental assistance?
  - New CoC Program Projects: YES
  - Renewing SHP Projects: YES
  - Renewing S+C Projects: YES

What agreement can a recipient have with a PHA to administer rental assistance since a PHA is not an eligible subrecipient?
  - A contract
3. Nonprofits can administer rental assistance funds for new CoC projects

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4. The costs of administering rental assistance are eligible in the CoC Program

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Implications for the Grant Inventory Worksheet
Rental assistance and operating costs **cannot** be used in the **same unit or structure**

- Projects that are transitioning from leasing to rental assistance that are 100% scattered site **must** eliminate the operating line item **entirely**

- Operating funds **must not** be moved to another budget line item.
The intended purpose of allowing a transition at this time was to allow those SHP projects *truly* operating as rental assistance the chance to “fix” what they are doing to become compliant.

Therefore, SHP projects funded as *new in the FY 2011 CoC Competition* *may not* transition from leasing to rental assistance. These projects *must* comply with leasing requirements when they begin to operate their projects.
Providing Leases to HUD

Renewal projects transitioning from leasing to rental assistance must provide leases to the Field Office **before** the final GIW is submitted via *e-snaps*.

Renewal projects continuing to request leasing funds on the GIW do **not** need to provide leases to the Field Office.
Evaluation and Additional Resources
You should now be able to:

- Describe the recently posted FAQs about leasing and rental assistance
- Identify whether your project should be leasing or rental assistance on the GIW

Please complete the on-line survey to rate how well this webinar met its objectives.
Additional Resources

• Up to date information regarding the Continuum of Care Program, including a copy of the CoC Program interim rule and TA materials can be found at http://www.hudhre.info/coc/index.cfm

• Submit Questions to HUD’s Homeless Resource Exchange Virtual Help Desk at http://www.hudhre.info/index.cfm?do=viewHelpdesk