

Chapter One

OVERVIEW OF THE LIRHF PROGRAM

WHAT IS LOW INCOME RENTAL HOUSING FUND ASSISTANCE?

The Low Income Rental Housing Fund (LIRHF) program gives a subgrantee a tool for assisting very low income renters. LIRHF enables an eligible tenant to receive rental assistance for a unit of their own choosing, provided the unit meets basic program requirements.

To receive LIRHF, interested tenants apply to the subgrantee or its designee. The application enables the subgrantee to determine first, whether the applicant is eligible to participate in the program, and then, how much assistance the tenant needs. As a subgrantee, you need to inform the tenant of the amount of assistance for which they are eligible.

The tenant can begin looking for a new rental unit or may request approval to receive assistance in its current unit. If the subgrantee approves the unit, a "tenant share" (if any) and "subgrantee share" of the rent are calculated. The tenant and the owner sign a lease/rental agreement and the subgrantee signs a contract with both the owner and the tenant. Each month, the subgrantee uses LIRHF to pay its share of the rent to the owner.

SELF SUFFICIENCY COMPONENT

LIRHF recipients are required to participate in a self sufficiency plan. The subgrantee will develop a self sufficiency plan based upon an assessment of the tenant's needs. The subgrantee and the tenant must sign off

on the plan. The goals to address the household needs must be stated in the self sufficiency plan. In addition, the activities to accomplish each goal and the timeline for each activity should be included. **Note:** A copy must be placed in the tenant's file.

The outcomes of the self sufficiency efforts must be documented for CSBG ROMA Scales and in the agency's work plan. The CSBG ROMA Scales measure the change in specific areas that impact the self sufficiency of a household. The database information will be submitted to the CSBG Program Analyst at specific times in the biennium. The current OHCS CSBG Program Analyst is Lynn Adams and is available at:

Lynn.adams@hcs.state.or.us

ELIGIBLE PARTICIPANTS

To participate, a tenant must be part of a **very low income household**. A tenant household qualifies as very low income if its annual gross income does not exceed 50 percent of the area median income. The income of a participating household must be verified and documented before assistance is provided and re-examined at least annually thereafter. Income limits are established by tenant size and revised annually by HUD. Current income limits may be obtained from OHCS or at the website:

<http://www.huduser.org/DATASETS/il/i107/index.html>

The subgrantee must use the Section 8 definition of annual income found at 24 CFR Part 5. Reference website: <http://www.huduser.org/DATASETS/il.html>.

For detailed guidance on calculating annual income using the Section 8 definition, refer to **Reference 1: Income Inclusions and Exclusions**.

A family cannot receive LIRHF if they are receiving rental assistance under another state or local rental assistance program, if the LIRHF subsidy would result in duplicate subsidies.

ELIGIBLE USES OF ASSISTANCE

LIRHF may be used for; (1) to provide rental assistance to help pay the cost of monthly rent, and (2) to pay refundable security deposits.

The subgrantee may provide security deposit assistance to a tenant regardless of whether the subgrantee is providing on-going low-income rental housing assistance. Although offering only a security deposit assistance program enables the subgrantee to serve more tenants, this approach may not enable the subgrantee to serve those most in need. To adequately serve some very low-income tenants, the subgrantee may need to provide maximum rental and deposit assistance.

INELIGIBLE USES OF LIRHF

LIRHF cannot be used to:

- Assist tenants in rental units that are owned or actively managed by the housing authority.

- Assist resident owners of cooperative housing that qualifies as home ownership housing. A tenant who is renting from a cooperative unit owner may however, use LIRHF.
- Provide LIRHF to homeless persons for overnight or temporary shelter. The LIRHF subsidy must be sufficient to enable the homeless person to rent a transitional or permanent housing unit that is “habitable” pursuant to ORS 90.320.

LIMITATIONS ON THE AMOUNT OF SUBSIDY PROVIDED

- Security deposits must be "reasonable" (e.g., not more than two month’s rent) and consistent with local market practices.
- Each subsidy contract can cover up to six months plus a prorated period, if applicable. However, assistance on behalf of an individual tenant can be extended under subsequent contracts if the subgrantee continues to administer a LIRHF program and has funds available.

ELIGIBLE UNITS

Units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units in neighborhood.

The subgrantee must require that eligible LIRHF participants use their LIRHF assistance within their jurisdiction.

PROTECTION FOR TENANT

TERMINATION OF TENANCY

Owners of rental property must comply with Oregon landlord tenant laws. The subgrantee may continue to assist the tenant in another unit, if an eviction occurs. The subgrantee may also elect not to continue the LIRHF assistance with the tenant if the subgrantee can certify that the tenant is not in compliance with the local LIRHF program or self sufficiency plan.

The subgrantee must develop a written policy, available for the tenant's review that describes when LIRHF assistance may be terminated. The policy must address how any termination of tenancy will affect the tenant's LIRHF assistance and in what circumstances would LIRHF assistance be approved/not approved to continue after a move to another rental unit.