

Chapter Three

PROGRAM IMPLEMENTATION

This chapter describes the implementation of a LIRHF program from initial application through the first LIRHF payment.

THE LIRHF BUDGET

The department will provide each subgrantee with either a biennial or yearly allocation of LIRHF.

Program implementation begins with a budget.

The subgrantee can determine *how many* tenants can be assisted with LIRHF subsidies. The process begins with two key pieces of information: 1. The allocation from the department; and 2. The monthly average rent subsidy. With this information, the subgrantee can estimate how many tenants it can serve. The simple model below (**Exhibit 3.1**) illustrates this concept.

Exhibit 3.1 – Conceptual Budget Model – An Example

Given: \$100,000 biennial allocation from Department
400 monthly average rent subsidy

Per Tenant Cost:

$\$400/\text{month} \times 12 \text{ months} = \$4,800 \text{ per tenant cost}$

$\$100,000 / \$4,800 \text{ per tenant} = 20 \text{ tenants can be assisted}$

ADDING REFINEMENTS AND COMPLEXITY

- **Variations in housing cost and tenant income by bedroom size:** The example above did not make any assumptions about the bedroom size requirements of the tenants to be assisted. Developing budget estimates by bedroom size helps achieve better accuracy.
- **Length of subsidy contract:** **Exhibit 3.1** assumes that each subsidy contract will be 12 months. The subgrantee may also provide a family with a new contract with additional term.

- **Impact of Refundable Security Deposits:** If the subgrantee will provide refundable security deposit assistance, the budget must reflect these expenditures. If refundable security deposits are provided, then the subgrantee must be consistent and offer security deposit assistance to all LIRHF tenants, if the refundable security deposit has not already been paid by the tenant.

Need for a contingency allowance: Even with these refinements, the subgrantee should set aside some additional cushion to cover errors in the estimating process. However, it is also important to note there may be some "built-in" contingency because some families may not complete the contract due to personal circumstances such as moving out of the jurisdiction.

KEY PROCESSING STEPS AND PROGRAM DOCUMENTS

Exhibit 3.2 lists the basic documents that are needed to administer a LIRHF program. The use of each is explained in the implementation steps that follow. A copy of many of these documents is provided in the attachments. The subgrantee is required to use these forms when administering its local LIRHF program. Copies of each form and required support documentation must be kept in each tenant's file who receives LIRHF assistance. This documentation will be the basis of the department's monitoring to ensure the subgrantee is in compliance with the program requirements.

Exhibit 3.2 LIRHF Forms in Tenant File.

Application Form
Applicant Notification
Authorization to Release Information
Income Verification
LIRHF Evaluation of Application
Rental Assistance Coupon (optional)
Lease/Rental Agreement
LIRHF Contract
Request For Funds
Self Sufficiency Plan (if applicable)
General Correspondence

APPLICATION PROCESS

The application information on a potential LIRHF tenant must be in written format. It is preferred that the subgrantee uses the application form (**Attachment A**), but the subgrantee may use their own intake form to get preliminary information on the applicants for LIRHF. If using your own form, make sure it has all the information on **Attachment A**.

The application form must contain, at a minimum, information that enables the subgrantee to determine tenant income and eligibility. A tenant file should be created for each application. This file ultimately should contain the application, documentation of the tenant's eligibility, copies of program forms, and correspondence.

THE BRIEFING

The purpose of the briefing is to ensure that the tenant 1. Understand their responsibilities as well as those of the subgrantee and the owner, and 2. Has sufficient guidance to make an informed choice of housing. The briefing should cover:

- *Roles and responsibilities* of the tenant, owner, and subgrantee.
- *Subsidy calculations* including how the subgrantee and tenant shares will be calculated.
- *Refundable security deposit policy*, including how much may be charged, who pays, and who receives any refund. The State of Oregon implements the “grant” version of security deposits for the HTBA/LIRHF program, which states that any remaining deposit shall be returned to the tenant, not back to the agency/partner.
- *Coupon expiration and extension policies*. The subgrantee, if they elect to use coupons, may decide the initial period during which the coupon is valid and extension approval criteria.
- *Guidance on selecting a unit*. Families should be advised on their responsibilities in signing a lease/rental agreement.
- *Lead based paint* information.
- *Fair housing information* including any search assistance that may be available, and the process for filing a complaint in the case of discrimination.

The subgrantee should consider maintaining a list of available properties to assist tenants in their search. However, if such a list is provided, the subgrantee must make it clear that the tenant is free to choose units other than those on the list.

CONTRACT/LEASE EXECUTION

The Low Income Rental Fund Assistance Contract (**Attachment C**) must be signed by the owner and a subgrantee representative. Each LIRHF contract should begin on the first of the month, whenever possible.

INITIATION OF PAYMENTS

DRAWING DOWN FUNDS

Submit your Request for Funds (**Attachment F**) for program funds via e-mail to the LIRHF request processor. Please allow a minimum of five (5) working days for requests to be processed by OHCS.

LEASE/RENTAL AGREEMENT REVIEW

TERM OF LEASE

The term of the lease between the tenant and the owner must be for not less than the effective contract period. A copy of the lease/rental agreement must be kept in the tenant’s file.

FINAL SUBSIDY CALCULATION

Once the unit has been approved, a final subsidy calculation is required to determine the subgrantee's and the tenant's share (if any) of the rent. The subgrantee needs to complete the LIRHF Evaluation of Application (**Attachment E**).

DETERMINING THE AMOUNT OF DEPOSIT ASSISTANCE

LIRHF funds may be also used to pay for refundable security deposits. The LIRHF subsidy for refundable security deposits will be provided as a grant and made payable to the owner. The tenant need not make any contribution toward the refundable security deposit. The LIRHF subsidy can pay the security deposit in its entirety.

The amount of the refundable security deposit paid should be based upon local market practice. However, the maximum amount of LIRHF funds that may be provided for a refundable security deposit is the equivalent of two months rent for the unit. Only the prospective tenant, not the owner, may apply for LIRHF refundable security deposit assistance.

The subgrantee must be consistent and offer security deposit assistance to all LIRHF tenants if the refundable security deposit has not already been paid by the tenant.