

Title: 3.1.3. Rapid Rehousing Standards

Prepared By: CAFTH

Reviewed By: Current RRH Providers;
Governing Council

Approved By: Governing Council

Date Approved: 10/14/2020

Purpose:

The following policy serves as to outline the standards for providing rapid rehousing (RRH) assistance in the Memphis/Shelby County Continuum of Care (CoC) as required by 24 CFR Part 578.7.

Scope:

This policy applies to any agency receiving Continuum of Care (CoC) or Emergency Solutions Grant (ESG) funding for a rapid rehousing program (RRH) in Memphis/Shelby County.

Policy:

All CoC and ESG-funded rapid rehousing providers should fulfill three Core Components of their programming:

1. Housing Identification
2. Rent and Move-in Assistance
3. Case Management

To meet these Core Components, rapid rehousing programs must follow all requirements set forth by federal regulations (CoC regulations at 24 CFR Part 578 and ESG regulations at 24 CFR Part 576).

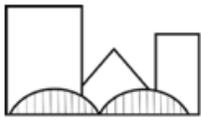
For additional differences between CoC and ESG program regulations, refer to HUD's publication: "Rapid Re-Housing: ESG vs. CoC" (published 2013).¹

Programs must also meet the following standards, as applicable based on regulations and funding requirements:

1. **Eligibility and Prioritization:** All participants must be accepted through the Coordinated Entry System (CES) and follow prioritization procedures set forth in the most recently approved Coordinated Entry Manual.
2. **Length of Assistance:** Participants in rapid rehousing may receive rental assistance (RA) for a maximum of 24 months; for CoC-funded programs, services may extend an additional 6 months beyond the RA period.² RRH programs should use a progressive approach when determining the amount and duration of rental assistance. Financial assistance should be just enough to help a household obtain and stabilize housing. If the household needs more

¹ Link as of 7/23/2020: https://files.hudexchange.info/resources/documents/Rapid_Re-Housing_ESG_vs_CoC.pdf

² 24 CFR § 578.37(a)(1)(ii)(C) and (D)



assistance, the program can extend rental assistance needed and provide proactive case management to help the household stabilize until they are no longer at risk of becoming homeless. If assistance is extended to maximum amount of 24 months and household is not stable, options such as a Housing Choice Voucher or permanent supportive housing (PSH) placement may be more appropriate if available. PSH placement must follow procedures set forth in the most recently approved Coordinated Entry Manual.

3. **Leases:** Participants must enter into a legally binding lease agreement between the participant and landlord.
4. **Rental Assistance Structure:** Structuring financial assistance for RRH should be customized to the participant. Any of the following rental assistance structures may be used by an RRH program:
 - i. **Declining subsidy:** The RRH program pays using a step-down method, beginning at 100% rental support and decreasing future months by 15-20% each month thereafter; the subsidy is initially high and then declines slowly over time.
 - ii. **Percentage of income:** Household contributes a specific percentage of its income towards rent and the RRH subsidy makes up the difference. Participants should not be required to contribute more than (1) 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child-care expenses); (2) 10 percent of the family's monthly income; or (3) If the family is receiving payments for welfare assistance from a public agency and a part of the payments (adjusted in accordance with the family's actual housing costs) is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated for housing costs.³
 - iii. **Fixed subsidy:** The RRH program contributes a fixed amount towards rent, based upon family or rental size, not just the family income. (e.g. 2 bedrooms: \$500 a month subsidy; 1 bedroom: \$300 a month subsidy).
5. **Rent Reasonableness:** For CoC-funded programs, rental assistance can only be provided if the total rent for the unit complies with HUD's standard of rent reasonableness: "The recipient or subrecipient must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit. Reasonable rent must not exceed rents currently being charged by the same owner for comparable unassisted units."⁴ For ESG-funded programs, rental assistance may cover up to the Fair Market Rent (FMR) of the unit.⁵
6. **Utility Allowances:** For CoC-funded programs, "for the purposes of calculating rent for rapid rehousing, the rent shall equal the sum of the total monthly rent for the unit and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is

³ 24 CFR § 578.77(b)

⁴ 24 CFR § 578.51(g)

⁵ 24 CFR §576.104

located.”⁶ Additional information on utility charges can be found in HUD Notice CPD-17-11: “Determining a Program Participant’s Rent Contribution, Occupancy Charge or Utility Reimbursement in the Continuum of Care (CoC) Program when the Program Participant is Responsible for the Utilities.”

7. Program Participation Requirements: Participants should be required to meet with a case manager not less than once per month. However, “the project is exempt from this requirement if the Violence Against Women Act of 1994 (42 U.S.C. 13925 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) prohibits the recipient carrying out the project from making its housing conditional on the participant’s acceptance of services.”⁷
8. Assessment and Reevaluation: RRH programs “must re-evaluate, not less than once annually, that the program participant lacks sufficient resources and support networks necessary to retain housing.”⁸ RRH assistance should end and the case closed when the household is no longer facing the threat of homelessness.
9. Income Requirements and Limitations:
 - i. CoC-funded RRH programs: Per HUD guidance “The CoC Program does not have any requirements associated with program participant income for determining eligibility for the CoC Program. In general, the presence of assets or other financial resources in an individual’s or household’s name does not necessarily preclude a household from being served in HUD’s Homelessness Assistance Programs if they would otherwise meet eligibility criteria. Income is calculated strictly to determine the tenant’s rent or occupancy charge, not to determine eligibility.”⁹ Additionally, programs cannot require participants to have income in order to meet Housing First principles as outlined in Policy 3.3.
 - ii. ESG-funded RRH programs: For program participants receiving ESG RRH assistance, an income assessment is not required at initial evaluation. At re-evaluation — which must take place not less than once annually for rapid re-housing — the participant’s household must have an annual income that does not exceed 30% of AMI [Area Median Income].¹⁰ Per HUD guidance, “Since an income assessment is not required at the ESG RRH initial evaluation, a household that is known to have annual income over 30% of AMI may be eligible to receive ESG RRH assistance until they are required to receive a re-evaluation.”¹¹ HUD does not require recipients/subrecipients to conduct a re-evaluation outside of the regular re-evaluation process if information becomes available to indicate that a household has (or may have) increased income or a change in household circumstances that affect eligibility for the program. If the recipient/subrecipient has NOT required such a notification, simply receiving information about a change

⁶ 24 CFR § 578.37(a)(1)(ii)(B)

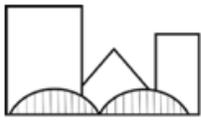
⁷ 24 CFR § 578.37(a)(1)(ii)(F),

⁸ 24 CFR § 578.37(a)(1)(ii)(E), 24 CFR § 576.401(b)

⁹ HUD AAQ Question ID 145605, response on 10/3/2019.

¹⁰ 24 CFR § 576.401(b)(1)(i)

¹¹ HUD AAQ Question ID 165286, response on 10/6/2020.



in a program participant's situation outside of the re-evaluation process has no immediate effect on the program participant's eligibility for ESG.¹²

¹² HUD FAQ ID 1000, published Dec. 2012: <https://www.hudexchange.info/faqs/1000/if-an-esg-case-manager-learns-that-a-program-participants-annual/>