

# Targeting Program Manual for Supportive Housing Development Program Participants

July 2009

## HOW TO USE THIS MANUAL

This manual is designed to provide Targeting Program partners in the Supportive Housing Development Program (SHDP) information needed to understand their role and responsibilities along with the guiding principles, policies and procedures of the Targeting and Key Programs. Targeting Program partners include:

- Owners and Property Management
- Local Lead Agencies
- Referral Agencies.

*A Targeting Program Manual for Low-Income Housing Tax Credit Program and Preservation Loan Program participants is available for partners that have received funding through those two programs.*

**Section 1** is an introduction to the Targeting and Key Programs and the principles guiding program design and operation.

**Section 2** directs readers to a condensed policy and procedure document for the Targeting and Key Programs titled *SHDP Targeting Plan and Key Program Operating Assistance: Basic Procedures and Requirements*.

**Sections 3-5** are written for the unique perspective of each partner. Each section describes a specific partner role and related responsibilities. Policies and procedures in *SHDP Targeting Plan and Key Program Operating Assistance: Basic Procedures and Requirements* are also discussed throughout Sections 3-5.

**Section 6** contains listings of all Targeting and Key Program documents and forms.

The manual is posted (in sections) on the North Carolina Housing Finance Agency website at [www.nchfa.com/Rental/Mforms.aspx](http://www.nchfa.com/Rental/Mforms.aspx). The manual will be updated periodically. A separate document listing updates will be posted with the manual for easy identification of any changes to policies and procedures. The Department of Health and Human Services and the North Carolina Housing Finance Agency will attempt to notify all partners when the manual is updated, but it is the ultimate responsibility of each partner to routinely review the on-line manual for updates.

## **TABLE OF CONTENTS**

### **1.0 INTRODUCTION**

- 1.1 Targeting Program Overview
- 1.2 Key Program Overview
- 1.3 Guiding Principles of the Targeting and Key Programs
  - 1.3.1 Housing Affordability
  - 1.3.2 Disability Neutrality
  - 1.3.3 Housing Accessibility
    - 1.3.3.1 Handicap-Accessible Units
    - 1.3.3.2 Public Transportation and Community Amenities
    - 1.3.3.3 Fair Housing Law
  - 1.3.4 Permanent Supportive Housing
- 1.4 Housing 400 Initiative
  - 1.4.1 Low-Income Housing Tax Credit (Housing Credit) Program
  - 1.4.2 Supportive Housing Development Program (SHDP 400)
  - 1.4.3 Preservation Loan Program (PLP 400)
  - 1.4.4 Key Only Funding
- 1.5 Role of NCHFA
- 1.6 Role of DHHS

### **2.0 SHDP TARGETING PLAN AND KEY PROGRAM OPERATING ASSISTANCE: BASIC PROCEDURES AND REQUIREMENTS**

### **3.0 OWNERS AND PROPERTY MANAGEMENT**

- 3.1 Owner Role and Responsibilities
- 3.2 Targeting Plans
  - 3.2.1 Partnering with Local Lead Agencies
  - 3.2.2 Affordability Mechanisms
- 3.3 Property Management Role and Responsibilities
- 3.4 Partnership with NCHFA
- 3.5 Partnership with DHHS
- 3.6 Partnership with Local Lead Agencies
- 3.7 Targeting and Key Program Training

- 3.8 Leasing Targeted Units
  - 3.8.1 DHHS Managed Referral Process
  - 3.8.2 Leasing Targeted Units during Property Lease Up
  - 3.8.3 Leasing Vacant Targeted Units
  - 3.8.4 Walk-Ins
  - 3.8.5 Leasing SHDP 400 Units Not Support by the Key Program
  - 3.8.6 Processing Housing Applications for Referred Applicants
  - 3.8.7 Live-in Aides
  - 3.8.8 Security Deposits
- 3.9 Key Program Rent Assistance
  - 3.9.1 Key Owner Agreement to Participate
  - 3.9.2 Key Payment Standards and Tenant Rent Share
  - 3.9.3 Key Program Eligibility Criteria
  - 3.9.4 Key Program Waivers
  - 3.9.5 Key Lease Addendum
  - 3.9.6 Key Requisitions
  - 3.9.7 Leasing Targeted Units to Ineligible Key Tenants
  - 3.9.8 Key Program Termination
  - 3.9.9 Tenants Transitioning from Key to Section 8
  - 3.9.10 Annual Income Re-certification
    - 3.9.10.1 Increases in Household Income
    - 3.9.10.2 Decreases in Household Income
    - 3.9.11.3 Changes in Household Size
  - 3.9.11 Homeless Waivers
  - 3.9.12 Key Program Requirements for Projects with HUD SHP Funding
- 3.10 SHDP Reporting Requirements
- 3.11 Other Types of Targeted Unit Affordability
- 3.12 NCHFA Compliance Reviews
- 3.13 Fair Housing

## **4.0 LOCAL LEAD AGENCIES**

- 4.1 Local Lead Agency Role and Responsibilities
- 4.2 History of the Local Lead Agency Role
- 4.3 Partnering with Property Management and Approved Referral Agencies
- 4.4 Housing Support Committee Participation
- 4.5 Local Lead Agency Best Practices

## **5.0 REFERRAL AGENCIES**

- 5.1 Referral Agency Role and Responsibilities
  - 5.2 Becoming an Approved Referral Agency
  - 5.3 Point and Back-up Person Responsibilities
  - 5.4 Maintaining Status as an Approved Referral Agency
  - 5.5 Targeting Program Referral Process
    - 5.5.1 Assessing Consumer Appropriateness for the Targeting Program
    - 5.5.2 Identifying Local Targeting Program Housing Options
    - 5.5.3 Determining Consumer Eligibility
      - 5.5.3.1 Eligibility for Targeted Units with Key Program Rent Assistance
      - 5.5.3.2 Eligibility for Targeted Units with Other Types of Rent Assistance
    - 5.5.4 Completing Referral Forms
    - 5.5.5 Waitlist Placement and Notification of Available Units
      - 5.5.5.1 Change in Service Providers for Waitlisted Persons
    - 5.5.6 Assisting Applicants during the Housing Application Process
      - 5.5.6.1 Key Program Waivers
      - 5.5.6.2 Reasonable Accommodation and Modification Requests
  - 5.6 Supporting Targeted Unit Tenants
    - 5.6.1 Working with Local Lead Agencies
    - 5.6.2 Change in Service Providers
  - 5.7 Housing Support Committee Participation
- ## **6.0 LISTING OF DOCUMENTS AND FORMS**
- 6.1 Owners and Property Management
  - 6.2 Referral Agencies

## 1.0 INTRODUCTION

The Targeting and Key Programs were created out of recognition of the barriers persons with disabilities face when seeking decent affordable housing in communities of their choice. A disproportionate number of households with *worst case housing needs* are headed by persons with disabilities or have a household member with a disability. These households either pay more than half of their household income for housing or live in severely substandard housing. Many persons with disabilities cannot afford housing at all and end up homeless or live in more restrictive and costly settings than their disability-related needs require.

In addition to financial housing barriers, persons with disabilities may face other significant barriers to housing. They may need assistance identifying and applying for affordable housing. They may need access to public transportation and access to flexible community based services to support them to live in the community. There is also a lack of understanding of Fair Housing Law by some property managers, persons with disabilities, their advocates and human service providers.

The Targeting and Key Programs expand affordable housing opportunities for low-income persons with disabilities who need ongoing access to supportive services. It is this group of persons with disabilities who face the greatest challenges to accessing and maintaining housing in communities of their choice. The goal of expanding housing opportunities for persons who face complex housing barriers has driven design and operation of both the Targeting and Key Programs.

### 1.1 Targeting Program Overview

In 2002 the NC Dept. of Health and Human Services (DHHS) and the North Carolina Housing Finance Agency (NCHFA) formed a partnership to increase access to Low Income Housing Tax Credit (Housing Credit) developments for persons with disabilities and homeless persons. Developers who targeted 10% of units to these populations received Housing Credit application bonus points. In 2004 NCHFA made targeting for persons with disabilities a Housing Credit Program threshold requirement. Since 2004 the Targeting Program has expanded beyond Housing Credit developments. This expansion is described in *Section 1.4 Housing 400 Initiative*.

Each development that is part of the Targeting Program has a Targeting Plan. Targeting Plans outline Targeting Program operations at developments and the agreement made by the three Targeting Plan partners – the housing owner/developer, property management and the Local Lead Agency. All owners/developers must develop a partnership with a Local Lead Agency – a local human service agency that represents the larger human service system in dealings with the development.

Since program inception, program policies, procedures and Targeting Plans have evolved. The largest change in program operation relates to management of the referral process. Generally, with limited property specific exceptions, all persons referred to Targeted Units in Housing Credit developments and persons referred to Targeted Units with Key Program rent assistance must be referred by approved referral agencies through the DHHS managed referral process. See *Section 5.0 Referral Agencies* for more information about agency approval and the referral process.

## **1.2 Key Program Overview**

In 2004 the Key Program – a companion program to the Targeting Program – was created to make Targeted Units affordable to persons with disabilities who have incomes as low as Supplemental Security Income (SSI). This rent assistance program was initially funded for a 10 year period through NCHFA HOME funds and the DHHS Division of Mental Health/Developmental Disabilities and Substance Abuse Services' Mental Health Trust Fund.

Housing Credit developments funded since 2004 have access to the Key Program to subsidize Targeted Units as do other owners/developers who have sought access to Key Program funding through the Housing 400 Initiative. Not all developments with Targeted Units have Key Program rent assistance, but all developments using the Key Program are part of the Targeting Program.

The Key Program pays the difference between the Targeted Unit tenant rent share and the Key payment standard set by NCHFA and DHHS. Key Program rent assistance is paid directly to property management based on monthly requisitions submitted to NCHFA for units occupied by Key-eligible tenants.

Key Program assistance is designed as a bridge subsidy. Targeted Unit tenants must document their status on local Section 8 waitlists and are encouraged to pursue access to Section 8 assistance. This requirement maximizes the number of households benefiting from the Key Program by facilitating tenants' transition to permanent, portable federal assistance if and when it becomes available. See *Section 3.9 Key Program Rent Assistance* for more information about the Key Program.

## **1.3 Guiding Principles of the Targeting and Key Programs**

Four guiding principles – housing affordability, disability neutrality, housing accessibility and the concept of permanent supportive housing – shape Targeting and Key Program design, policies and procedures.

### **1.3.1 Housing Affordability**

Over 178,000 North Carolinians, with disabilities so severe they cannot maintain full time employment, live on SSI. In 2009 SSI provided a maximum monthly benefit of \$674. There is no housing market in North Carolina where a person living on SSI can afford to rent a modest one-bedroom apartment. Even housing like Housing Credit developments with reduced rents are financially unobtainable for SSI recipients unless rent subsidies are available. Consequently, NCHFA and DHHS have worked to ensure the affordability of Targeted Units for persons living on SSI through a variety of rent assistance opportunities.

While Key Program participation is voluntary, owners that do not participate in the Key Program and are unable to secure an alternate form of rent assistance for Targeted Units, cannot charge Targeted Unit tenants more rent than what they would have paid had the development been participating in the Key Program.

## **1.3.2 Disability Neutrality**

The supports and services persons with disabilities may need to live successfully in the community vary depending on the nature and extent of persons' disabilities, but the need for affordable housing is common across disability populations. To promote access to affordable housing for all persons with disabilities, Targeted Units are available to persons regardless of disability type. A few SHDP 400 developments have a disability preference based on the availability of site based services and compliance with the limitations for specific disability preferences outlined in the US Dept. of Housing and Urban Development's Project Based Rent Assistance regulations (24 CFR 983.251).

## **1.3.3 Housing Accessibility**

### **1.3.3.1 Handicap-Accessible Units**

NCHFA requires all developers seeking SHDP 400 funds to build 5% more accessible units than required under fair housing standards. These accessible apartments include curbless showers and allow for parallel toilet transfers.

Not all persons referred to live in Targeted Units need handicap-accessible units. It is important that property management be flexible in assigning Targeted Units according to the needs of referred individuals.

### **1.3.3.2 Public Transportation and Community Amenities**

Many low-income persons with disabilities do not have the financial means to own a car or the nature of their disability impedes their ability to drive. In either case, securing housing that is accessible to public transportation and/or essential community amenities is vital to the long-term sustainability of housing arrangements. Consequently, NCHFA has made a concerted effort to take into consideration the proximity of housing developments to public transportation and other community amenities.

### **1.3.3.3 Fair Housing Law**

Requesting and responding to requests for reasonable accommodations and modifications is commonly a poorly understood aspect of the protections afforded to persons with disabilities under Fair Housing Law. In response, DHHS and NCHFA have instituted a number of measures to increase understanding of Fair Housing Law as it applies to persons with disabilities. In 2005, NCHFA and DHHS completed a comprehensive revision and expansion of the state's decade-old guide, "*Fair Housing for Tenants with Disabilities: Understanding Reasonable Accommodations and Reasonable Modifications*," which has been widely distributed and used as a basis for training across the state. NCHFA incorporates fair housing training into their routine training for property management. DHHS also incorporates training on requesting reasonable accommodations and modification with its standard Targeting Program training for participating referral agencies.

Persons with disabilities face significant housing barriers that are a result of their disabilities, but the ability to request reasonable accommodations during the housing application process and during tenancy is an essential tool to help diminish housing barriers.

### **1.3.4 Permanent Supportive Housing**

Permanent supportive housing has emerged as the preferred model of housing for persons with disabilities. While a variety of programs and models are described as supportive housing, consensus has developed that permanent supportive housing allows persons with disabilities to access and maintain decent, safe and affordable community housing that is linked to a variety of individualized supports and services. Additionally, tenants live in housing as long as they fulfill their obligations outlined in standard lease terms; neither service compliance nor following treatment plans are conditions of tenancy.

The Targeting Program has followed these basic parameters of permanent supportive housing. Targeted Units provide persons with disabilities decent, safe and affordable community housing that is permanent and independent and linked to individualized supports and services through the program's unique referral arrangement and the role of the Local Lead Agency.

Persons living in Targeted Units have all the rights and responsibilities of tenancy and tenancy cannot be contingent on service compliance. As with any tenant, compliance with standard lease terms dictates successful tenancy in the Targeting Program.

## **1.4 Housing 400 Initiative**

In 2006 the North Carolina General Assembly created and funded the Housing 400 Initiative to finance independent and supportive apartments for persons with disabilities, including those with mental illness, developmental disabilities and substance abuse disorders. NCHFA and DHHS are partners in this effort and have merged the Housing 400 Initiative and the Targeting and Key Programs. Housing 400 Initiative funding has been distributed through four programs:

- DHHS-NCHFA Low Income Housing Tax Credit Program partnership
- Housing 400 Initiative Supportive Housing Development Program (SHDP 400)
- Housing 400 Initiative Preservation Loan Program 400 (PLP 400)
- Key Only Funding.

### **1.4.1 Low-Income Housing Tax Credit (Housing Credit) Program**

The Housing Credit Program – a federal affordable housing development program administered by the IRS – funds the construction of new rental housing and the acquisition and rehabilitation of existing rental housing for households with low incomes. It is the largest affordable rental housing development program in the country. Historically, over 2,000 Housing Credit rental units are funded each year in North Carolina through NCHFA.

Within IRS guidelines, NCHFA sets specific allocation criteria for awarding credits in the Qualified Allocation Plan (QAP). NCHFA publishes a draft QAP each year with the final QAP published in the NC Register in December. Preliminary Housing Credit applications are due in January and final applications are due in May. Awards are normally announced in August.

Housing Credit owners are required to reserve units for low-income households at restricted rents for no less than 30 years. IRS regulations set minimum requirements for income targeting assuring that units are affordable to persons at 50-60% of area median

income. Within these federal rules, states set their own priorities and income targeting requirements. Without further incentives or rent assistance the Housing Credit Program is not designed to serve households with extremely low incomes.

North Carolina is the first state to require all Housing Credit developments to target 10% of units to persons with disabilities guaranteeing that persons with disabilities have access to no less than 10% of units at each development. The 10% set aside does not establish an upper limit for the number of persons with disabilities who may live at developments. Persons with disabilities who can afford to rent non-targeted Housing Credit units are encouraged to do so.

#### **1.4.2 Supportive Housing Development Program (SHDP 400)**

In response to legislative appropriations and feedback from advocates and developers, NCHFA created the Housing 400 Initiative Supportive Housing Development Program (SHDP 400). SHDP 400 is a variation of the NCHFA Supportive Housing Development Program. SHDP 400 awards capital funding to build small, stand alone, permanent and independent rental housing for persons with disabilities. Key Program funding is awarded to all SHDP 400 developments without other forms of rent assistance.

#### **1.4.3 Preservation Loan Program 400 (PLP 400)**

The Housing 400 Initiative Preservation Loan Program (PLP 400) creates Targeted Units in properties that request rehabilitation funds for older, federally subsidized apartments. Through participation in PLP 400, developers must set aside the greater of 5 units or 10% of the total number of units for persons with disabilities. This arrangement essentially mirrors the Targeted Program threshold requirement in the Housing Credit Program. Key Program funding is awarded to all PLP 400 developments without other forms of rental assistance.

#### **1.4.4 Key Only Funding**

Key Program funding has also been offered as a stand alone funding opportunity for developments previously funded by NCHFA under all NCHFA rental development programs to voluntarily create Targeted Units.

### **1.5 Role of NCHFA**

NCHFA administers the Low Income Housing Tax Credit Program, the Preservation Loan Program, the North Carolina State Housing Trust Fund and the Supportive Housing Development Program 400 Initiative. The Targeting Program spans all of these housing programs. NCHFA also administers the Key Program in conjunction with DHHS.

NCHFA monitors developments, where NCHFA funds have been used, for compliance with regulations associated with each development program and for compliance with Targeting and Key Program rules. NCHFA Asset Management staff also provide regular training to property management that incorporates training on the Targeting and Key Programs.

## **1.6 Role of DHHS**

DHHS is responsible for coordinating implementation of the Targeting Program at the local level with all partners – owners and developers, Local Lead Agencies, property management and participating human service agencies. DHHS begins this coordination by providing Targeting Plan development technical assistance to owners and developers and recruits human service agencies to fill the Local Lead Agency role.

DHHS also works with Local Lead Agencies and property management to help work through issues and questions that arise during the referral process and tenancy of Targeted Unit residents.

DHHS is responsible for recruiting and training human service agencies to become approved referral agencies. The referral agency approval process is designed to enhance the understanding and commitment of referral agencies to support Targeted Unit applicants during the housing application process and tenancy.

## **2.0 SHDP TARGETING PLAN AND KEY PROGRAM OPERATING ASSISTANCE: BASIC PROCEDURES AND REQUIREMENTS**

*SHDP Targeting Plan and Key Program Operating Assistance: Basic Procedures and Requirements* is a condensed document summarizing the policies and procedures associated with the Targeting Program and the Key Program. While the document has not been included with this Program Manual, the policies and procedures in the document are discussed throughout the manual. All Targeting Plan partners, especially owners and property management representatives, should read this document in its entirety.

*SHDP Targeting Plan and Key Program Operating Assistance: Basic Procedures and Requirements* summarizes policies and procedures for maintaining compliance with the Targeting and Key Programs. If there is any discrepancy between policy information written in this manual and the Basic Procedures and Requirements document, policy information in the document takes precedent over information in the manual.

The Basic Procedures and Requirements document is available on the NCHFA website at [www.nchfa.com/Rental/Mforms.aspx](http://www.nchfa.com/Rental/Mforms.aspx) under the category heading: *Supportive Housing Development Program*.

## **3.0 OWNERS AND PROPERTY MANAGEMENT**

### **3.1 Owner Role and Responsibilities**

The following points are owner responsibilities listed under the Targeting Plan Memorandum of Understanding (MOU):

- Agree that Targeted Units will not be segregated within the property or in any way be distinguishable from non-targeted units, and that the Targeted Unit mix will depend on the needs of referred households.
- Assure that the Targeted Units remain available to eligible persons referred through the process coordinated by the NC Dept. of Health and Human Services (DHHS), and that the purposes and spirit of this agreement, are maintained through the compliance period.

### **3.2 Targeting Plans**

Targeting Plans are incorporated into SHDP 400 and other funding compliance agreements with the NC Housing Finance Agency (NCHFA). Properties must lease Targeted Units to persons with disabilities referred by approved referral agencies through the DHHS managed referral process. Owners are not in full compliance with their Targeting Plans until the total required number of Targeted Units are occupied by eligible persons.

Targeting Plan due dates follow NCHFA funding award dates. Targeting Plan due dates are typically stipulated in the funding application guidance document posted by NCHFA.

DHHS and NCHFA provide owners/developers a Targeted Plan template to complete that includes a Memorandum of Understanding between owners, property management and Local Lead Agencies outlining the major roles and responsibilities of each. Filling in the template is usually sufficient in development of Targeting Plans unless there are unique arrangements that are not sufficiently covered by the template content.

#### **3.2.1 Partnering with Local Lead Agencies**

Since 2002 many different human service agencies throughout the state have filled the Local Lead Agency role. These agencies recognize the importance of expanding affordable housing opportunities for extremely low-income persons with disabilities who need ongoing access to supportive services to help access and maintain independent, permanent housing in the community.

Local Lead Agencies may serve a specific disability population, but in their role as Local Lead Agency agree to help coordinate services for Targeted Unit tenants regardless of disability type. The willingness of Local Lead Agencies to partner with owners and property management is a vital aspect of the supportive nature of this affordable housing program.

DHHS recommends Local Lead Agency partners to owners/developers who are new to the Targeting Program and have not yet established relationships with partners from the human service sector.

See *Section 4.2 History of the Local Lead Agency Role* for information about the changes in the Local Lead Agency role regarding management of the referral process.

### **3.2.2 Affordability Mechanisms**

Owners must specify how they will make Targeted Units affordable to persons with incomes as low as Supplemental Security Income (SSI) in the Targeting Plan. Since 2004, Key Program rent assistance has been available to all properties with Targeted Units. Detailed information about Key Program participation is provided in *Section 3.9 Key Program Rent Assistance*. See *Section 3.11 Other Types of Targeted Unit Affordability* for information about other mechanisms used for Targeted Unit affordability.

### **3.3 Property Management Role and Responsibilities**

The property management role associated with the Targeting and Key Programs is not very different from the typical role fulfilled by property managers. Property managers operate developments in accordance with the funding program rules associated with the development, but need to incorporate a few additional responsibilities for efficient and effective administration of the Targeting and Key Programs.

Targeting Plans are incorporated into SHDP 400 compliance agreements with NCHFA making property managers responsible for leasing Targeted Units to eligible persons and for communicating Targeted Unit tenant issues to Local Lead Agencies.

Property managers screen Targeted Unit applicants with the same criteria used for all housing applicants. Targeted Unit applicants must be income-qualified and must provide detailed financial information during initial leasing and annual income re-certification. Property managers are also responsible for complying with Fair Housing Law including providing reasonable accommodations and modifications.

Specific language related to the role and responsibilities of property managers can be found in Targeting Plans and the policies and procedures documents referenced in *Section 2.0 SHDP Targeting Plan and Key Program Operating Assistance: Basic Procedures and Requirements*.

The following property management responsibilities are listed in the Targeting Plan MOU:

- Notify the DHHS Staff of initial lease-up 3 months prior to anticipated occupancy certification or when marketing begins, whichever comes first.
- Educate initial and subsequent on-site property managers on the Targeting Plan, Targeting and Key Program policies and procedures, and contact information for the Local Lead Agency, and the DHHS staff.
- For a period of 90 days from the date of the first certificate of occupancy, establish a preferential leasing opportunity for the Targeted Units specified in this Targeting Plan for the targeted population.
- Screen all referred applicants using established screening criteria.
- Include language on reasonable accommodations on its application for tenancy.

- In the event a referred applicant is denied housing, (1) notify the applicant and the DHHS staff of reason for denial, (2) accept and consider requests for reasonable accommodations in accordance with State and Federal Fair Housing Law, and the spirit of this agreement.
- In the event a vacancy occurs at the property, notify DHHS and DHHS will send the next appropriate referral to the property to apply for housing.
- Communicate tenancy issues with the Local Lead Agency in a timely manner.
- Facilitate communication with the Local Lead Agency and DHHS by designating, in the event of staff turnover, a named individual as the primary contact on matters related to the Targeted Units.

### **3.4 Partnership with NCHFA**

NCHFA monitors all housing developments that have funding through the NCHFA. NCHFA also administers the Key Program. All properties receiving Key Program operating subsidies have a contract with NCHFA called the Key Owner Agreement to Participate.

### **3.5 Partnership with DHHS**

Property managers work with regional DHHS staff that help property managers and Local Lead Agencies understand program policy, procedures and partnerships. Regional DHHS staff help partners work through any challenges that may arise in relationship to program operation. Property managers also work with regional DHHS staff who manage the Targeted Unit referral process and waitlists for each property.

### **3.6 Partnership with Local Lead Agencies**

The Local Lead Agency role was designed to fulfill four functions:

- help meet the business needs of property managers by providing one point of contact for all issues related to Targeted Unit tenants.
- protect confidentiality of Targeted Unit tenants disability status and service needs.
- coordinate early intervention efforts to help Targeted Unit tenants successfully maintain housing in the community.
- provide technical assistance and guidance to participating referral agencies in assisting individuals they have referred to the Targeting Program.

The Local Lead Agency is the property manager's single point of contact for all issues related to Targeted Unit tenants. To minimize property management involvement with individual tenant service needs, the Local Lead Agency representative is a source of assistance for Targeted Unit tenants should issues arise during their tenancy. Local Lead Agencies may also provide property managers assistance related to non referred tenants.

The goal of the Targeting Program is for Targeted Unit tenants to live successfully in the community. Strong working relationships between property managers and Local Lead Agencies can greatly contribute to meeting this goal. Given the frequency of interactions property managers have with tenants and the nature of the manager-tenant relationship, property managers often have valuable insights into the general well being of tenants. Managers should feel comfortable contacting Local Lead Agencies when they feel Targeted Unit tenants may need assistance and are encouraged to call their Local Lead Agency representative if they have any indication that a Targeted Unit tenant may be experiencing difficulty.

Making calls to Local Lead Agencies is the only way property managers treat Targeted Unit tenants differently than other tenants. Otherwise, managers should follow their company policies and procedures when dealing with Targeted Unit tenants as they do with all other tenants.

### **3.7 Targeting and Key Program Training**

Property manager understanding of Targeting and Key Program policies and procedures is vital to efficient and effective program operation. There are a few different training opportunities available to regional and on-site property management staff.

- As each property approaches the initial lease-up period DHHS staff will coordinate training between property management and the Local Lead Agency. DHHS will train both partners on their roles and responsibilities and on program policies and procedures.
- NCHFA conducts regular training for property managers that includes training on the Targeting and Key Programs.
- DHHS conducts training for property management companies on an ad hoc basis.

Due to high turnover rates in the property management industry, it is important that regional property management staff train all new on-site property managers on the requirements of the Targeting and Key Programs. Regional property management staff may contact the regional DHHS staff in their area for assistance with training.

Descriptions of training offered by NCHFA and a training schedule can be viewed on the NCHFA website at [www.nchfa.com/Rental/Mtraining.aspx](http://www.nchfa.com/Rental/Mtraining.aspx).

### **3.8 Leasing Targeted Units**

#### **3.8.1 DHHS Managed Referral Process**

In 2008 DHHS began managing the referral process for all properties with Targeted Units. (The process had previously been managed by Local Lead Agencies.) In managing the referral process, DHHS establishes first-in-time waitlists for the Targeted Units at each property participating in the program and accepts referrals from approved referral agencies only. Subsequently, property management only allows persons who have been referred through DHHS to apply for Targeted Units. Property management should not screen applicants for Targeted Units unless they have been faxed by DHHS staff a *Targeting Program Letter of Referral* that has been signed by the appropriate regional DHHS staff person with the individual's name on it.

(For exceptions to this policy for developments not using the Key Program, see *Section 3.8.5 Leasing SHDP 400 Units Not Supported by the Key Program.*)

DHHS will forward letters of referral to property management at initiation of lease up or when property management notifies DHHS that units are available using the Vacancy Notification fax form provided by DHHS. This form gives both parties paper documentation of the date property management notifies DHHS of available units.

### **3.8.2 Leasing Targeted Units during Property Lease Up**

Property management is responsible for contacting regional DHHS staff when they are ready to start pre-leasing. Property management and DHHS will establish a referral start date for the development and DHHS will communicate this information to approved referral agencies in the area. During this time, DHHS will also arrange a meeting between property management and the Local Lead Agency to facilitate relationship building and provide training to both parties.

If the property is using Key Program rent assistance to make Targeted Units affordable, the *Key Owner Agreement to Participate* should also be completed by this time. See *Section 3.9.1 Key Owner Agreement to Participate.*

### **3.8.3 Leasing Vacant Targeted Units**

As soon as property management knows that a Targeted Unit vacancy will occur, they should send the DHHS Targeted Unit Coordinator a Vacancy Notification fax form. (Vacancy Notification fax forms are provided to property management by DHHS.)

### **3.8.4 Walk-Ins**

“Walk-ins” may reveal that they have a disability or are formerly homeless, but if the project has not received a completed *Targeted Program Letter of Referral* from DHHS, the household will not be eligible for Key Program rent assistance. See *Section 3.8.5 Leasing SHDP 400 Units Not Supported by the Key Program* for additional information.

In cases where individual walk-ins specifically ask property management about the Targeting or Key Programs by name, property management may give the person contact information for regional DHHS staff; otherwise, property management should not advertise the program to persons who inquire about housing regardless of disclosures they may make about their disability status.

### **3.8.5 Leasing SHDP 400 Units Not Supported by the Key Program**

NCHFA and DHHS will review, case by case, whether SHDP 400 units supported by types of rent/operating assistance other than Key Program rental assistance can be leased to individuals outside of the DHHS managed referral process.

In cases where referrals are made outside of the DHHS managed process, DHHS will have no services contact for tenants. Consequently, DHHS will not expect the local lead agency to be in a position to be the point of contact or provide service coordination for such tenants.

Regardless of whether referrals come through the DHHS managed referral process, the owner and property management must follow the applicable reporting requirements outlined in *Section 3.10 SHDP Project Reporting Requirements*.

### **3.8.6 Processing Housing Applications for Referred Applicants**

Referred households must be program eligible (income, student status) and project eligible (elderly, non-elderly, household size, credit worthy, criminal background, etc.). **It is the responsibility of property management to determine and document whether the household meets project eligibility, including the income qualifications associated with Targeted Units.**

In addition to a Targeting Program Letter of Referral and meeting program/project eligibility standards, eligibility for a Targeted Unit depends upon the source of rental assistance. For households with PBRA units, the head of household must meet the assistance program's definition of disabled and/or homeless. For units with Key Program rent assistance, the household must meet Key Program eligibility criteria described in *Section 3.9.3 Key Program Eligibility Criteria*.

### **3.8.7 Live-in Aides**

Persons referred to Targeted Units may require live-in aides. NCHFA uses the following U.S. Dept. of Housing and Urban Development (HUD) definition of live-in aide: a person who resides with one or more elderly persons, near-elderly persons or persons with disabilities who:

- Is determined to be essential to the care and well-being of the person(s);
- Is not obligated for the support of the person(s); and
- Would not be living in the unit except to provide the necessary supportive services.

While a relative may be considered to be a live-in aide, they must meet the above requirements, especially the last. The live-in aide qualifies for occupancy only as long as the individual needing supportive services requires the aide's services and remains a tenant, and may not qualify for continued occupancy as a remaining family member.

Owners are encouraged to use lease addendums that deny occupancy to live-in aides after the tenant is no longer living in the unit. The addendum must establish that a live-in aide is not eligible to remain in the unit once the tenant is no longer living in the unit, regardless of the circumstances for the tenant's departure. The live-in aide addendum may give the owner the right to evict a live-in aide who violates any of the house rules.

The screening of live-in aides at initial occupancy and the screening of aides added to the household after initial occupancy involve similar screening activities. Live-in aides should be screened for the same criteria established for other applicants except for criterion regarding the ability to pay rent on time because live-in aides are not responsible for rent payments.

Live-in aides are *not* considered household members when calculating total gross household income and when determining which income limit per household size to apply to the household. Under Key Program rules, however, live-in aides *are* considered household members when determining the unit size the household is eligible for, and consequently, the percentage of income the household pays towards rent. For example, under Key Program rules a single person is normally only eligible for a one-bedroom unit and pays 25% of his/her income towards rent, but a single person *with a live-in aide* is eligible for a two-bedroom unit and pays 20% of his/her income towards rent.

NCHFA follows HUD's determination that a live-in aide is not allowed to have his/her family members live in the unit. For questions about this rule, contact NCHFA Asset Management staff.

### **3.8.8 Security Deposits**

If the project's policy is that the security deposit is equal to the amount of one month's rent, then the security deposit for a Targeted Unit would be equal to one month's rent. Similarly, if a Targeted Unit is supported by Key Program rent assistance, the security deposit for the Targeted Unit would be equal to one month's Key payment standard according to the unit size.

Targeted Unit tenants are responsible for paying security deposits. If the household is approved for housing, but cannot afford the security deposit, the tenant may request a reasonable accommodation.

## **3.9 Key Program Rent Assistance**

Key Program rent assistance is paid directly to property management based on monthly requisitions submitted to NCHFA and is only paid for Targeted Units occupied by Key-eligible tenants. **Property management is responsible for verifying all Key eligibility criteria.** See *Section 3.9.3 Key Program Eligibility Criteria*. Key Program rent assistance is "attached" to the property and cannot be transferred if the Targeted Unit tenant moves. Owners and property management agree to accept Key payment standards for Targeted Units regardless of the actual rent level associated with any particular unit a Targeted Unit tenant may lease. (In some SHDP properties there may be no other associated rent level for Targeted Units than the Key payment standard.)

### **3.9.1 Key Owner Agreement to Participate**

NCHFA must have an executed Key Owner Agreement to Participate (OAP) on file in order to process Key requisitions. While this is the responsibility of the owner, property management companies often facilitate completion of the OAP. The OAP is prepared by NCHFA upon request from the owner or management. Requests should be made at the time Targeting Plans are due.

In addition to the OAP, the owner/management must complete an IRS W-9, "Request for Tax Payer Identification Number and Certification", and a Direct Deposit Authorization (DDA), "*State Treasurer's Electronic Payments for Key Program Funds*". The OAP, W-9 and DDA should be submitted to the NCHFA Asset Management Dept. Asset Management will handle disbursing the forms to the other departments as appropriate.

### 3.9.2 Key Payment Standards and Tenant Rent Share

The Key Program pays the difference between the Targeted Unit tenant rent share and the Key payment standard set by NCHFA and DHHS. Key payment standards are documented on the *SHDP Key Rent and Subsidy Calculation Worksheet* and represent the total amount of rent owners may collect for Targeted Units. (A common misconception is that the owner collects the full Key payment standard from NCHFA in addition to the tenant rent share.) Table A documents the percentage of income tenants pay towards the Key payment standard. The tenant rent share varies according to unit size and who pays utilities.

It is the responsibility of property management to collect Targeted Unit tenant rent share on a monthly basis regardless of how small the amount may be. It is not helpful for property management to ignore missed payments only to eventually request payment in arrears. Property management should notify their Local Lead Agency, in conjunction with the tenant, the first time the tenant misses a rent payment so the referral agency can intervene and provide the tenant assistance.

### 3.9.3 Key Program Eligibility Criteria

To be eligible for Key Program rent assistance, tenants must meet all following criteria:

1. Households must be referred to the Targeting Program by approved referral agencies through the DHHS managed referral process using the standard Targeting Program Letter of Referral.
2. Households must be headed by adults with income based on his/her disability from a state or federal program (SSI, SSDI or VA benefits) **OR** headed by adults over the age of 65 who have SSI. *If the disability benefit decision is pending or disability income is temporary such as worker's compensation, households are not eligible for Key.*
3. Total gross household income cannot exceed 30% AMI.
4. Household income is a minimum of \$300 per month.
5. Households must meet the minimum household size per unit size provided in Table A. *Single person households may rent two-bedroom units only at properties built without one-bedroom units.*

**Table A: Tenant Rent Share by Unit Size and Payer of Utilities**

Unit Size	Minimum Household Size	% of Income Paid Toward Rent (Tenant pays utilities)	% of Income Paid Toward Rent (Owner pays utilities)
Efficiency/Studio	1 person	25%	30%
1 Bedroom	1 person	25%	30%
2 Bedroom	2 persons*	20%	30%

*\* Single person households may rent two-bedroom units only at properties built without one-bedroom units. In these cases, the tenant rent share is 25% of income when the tenant pays utilities.*

DHHS trains referral agencies on Key Program eligibility criteria and makes every effort to refer only persons who are eligible for Key rent assistance. **It is the ultimate responsibility of property management, however, to verify that Key eligibility is met.**

#### **3.9.4 Key Program Waivers**

There are limited cases when Key Program Waivers may be requested. Only referral agencies can sponsor waiver applications, which are submitted to DHHS for review and approval. Property management is not allowed to sponsor waiver requests. Income waivers do not affect Housing Credit requirements that occupants must initially earn less than the percentage of AMI needed to qualify for the project.

Waiver requests are submitted to DHHS for review and approval. Waivers may be requested for the following reasons:

- Key Program rent share poses an undue burden.
- Household income exceeds 30% AMI, but the household has eligible income deductions.
- Household needs a larger unit size than allowed by the Key Program
- Household has multiple members with disability income resulting in household income that exceeds 30% AMI.
- Household is headed by a person 65 years or older who receives regular Social Security, and previously received disability income or who has become disabled since turning 65.
- Persons are homeless and are in the midst of the disability benefit determination process.

All income related waivers require a copy of the *Tenant Income Certification* from property management. *Tenant Income Certifications* are requested from property management by the referral agency that submits the waiver request to DHHS once persons come to the top of Targeted Unit waitlists.

See *Section 3.9.11 Homeless Waivers* for information about this additional type of Key Program Waiver available at properties that have requested access to them.

#### **3.9.5 Key Lease Addendums**

Property management must have all Targeted Unit tenants, for which property management requisitions NCHFA for Key payments, sign a *SHDP Key Lease Addendum*. If the property has HUD Supportive Housing Program (SHP) funding, the SHP version of the *SHDP Key Lease Addendum* should be used.

#### **3.9.6 Key Requisitions**

Key requisitions are mailed or faxed to NCHFA no later than the 15<sup>th</sup> of each month in order to process payment for the next month's rent. Rent will be pro-rated for the month of move-in and move-out, based on the actual number of days in the month. If a tenant moves and Key has already been paid for the entire month of move-out, a negative adjustment will be made on the next month's Key requisition following move-out.

The first time a Key requisition is submitted to NCHFA for a new tenant and at time of annual income re-certification all following documents must be sent with the Key requisition:

- Letter of Referral provided by DHHS (not required at re-certification)
- Tenant Income Certification (TIC)
- All income verifications and file documentation
- Application/questionnaire
- SHDP Key Rent and Subsidy Calculation Worksheet
- SHDP Key Lease Addendum
- Key Waiver Approval Letters, if applicable.

NCHFA cannot make Key payments for individual tenants until all required documentation is submitted.

Key assistance is paid retroactive to the move-in date for Key-eligible households, provided that an executed OAP is on file. If move-in occurs prior to the date the OAP is signed by the Owner, Key assistance will not be paid until the first day of the month following the effective date of the OAP. For example, if move-in occurs on June 5<sup>th</sup> and the OAP is effective June 23<sup>rd</sup>, Key assistance will begin on July 1<sup>st</sup>.

Do not delay in requesting Key assistance for new households. Requests should be made as soon as possible following move-in and Key should be terminated as soon as move-outs occur. Late terminations result in assistance being over-paid in one or more months requiring large negative adjustments in the month subsequent to notification of Key termination.

### **3.9.7 Leasing Targeted Units to Ineligible Key Tenants**

Tenants must meet all Key Program eligibility criteria described in *Section 3.9.3 Key Program Eligibility Criteria* in order for NCHFA to process requests for payment. Occasionally, ineligible Key households are identified when NCHFA Asset Management staff reviews initial Key requisition or re-certification documentation packets. When this occurs Asset Management staff seek certification and clarification from property management. If documentation to confirm eligibility is not provided, Key assistance will be denied.

When assistance is denied, ineligible households must be allowed to live on the property paying rent at the Key assistance level until the expiration of the lease. The ineligible tenant's portion of the rent is based on the amount they would pay if qualified for Key assistance; however, NCHFA will not pay the difference between the tenant's rent share and the Key payment standard.

Key Payment can be denied or terminated by NCHFA for the following reasons:

- No DHHS signed *Targeting Program Letter of Referral* (not eligible for a Targeted Unit or Key assistance).
- Failure to provide documentation of disability income.
- Household income exceeds 30% AMI.
- Households not meeting the minimum occupancy standards are expected to relocate when the correct size unit becomes available.

- Key assistance is determined on case by case bases for the surviving members in the unit if the Key eligible household member moves from the unit or dies.

Only evictions for good cause are allowed for households occupying Targeted Units. While tenancy problems and concerns can arise with any resident, the Local Lead Agency may be able to provide assistance with issues that arise with referred households. Any concerns or issues should be addressed with the Local Lead Agency.

### **3.9.8 Key Program Termination**

Property management may terminate tenants from the Key Program for voluntary or involuntary termination of tenancy at the property or receipt of a Section 8 voucher. When tenants are terminated from Key, property management must complete the *Key Program Termination Notice* and immediately submit it to NCHFA.

### **3.9.9 Tenants Transitioning from Key to Section 8**

When tenants transition from Key to Section 8, property management sends NCHFA a *Key Termination Notice* form. Tenants transitioning from Key assistance to Section 8 still qualify as occupying a Targeted Unit. Under HUD regulation, property management can charge the local public housing authority fair market rent for the unit as opposed to charging the Key payment standard the property had been accepting for the unit.

### **3.9.10 Annual Income Re-certification**

Households must annually re-certify to determine assistance level. The re-certification should be conducted no later than the anniversary date of move-in. As income increases, rental assistance generally decreases and the opposite is true for decreases in income. The household qualifies for Key assistance as long as they qualify for one dollar or more of assistance.

If the tenant had previously been granted a Key Program Waiver involving income adjustments and the household wishes to have their income adjusted for the upcoming year, the tenant's referral agency must sponsor a new waiver request based on current eligible expenses. Property Managers may contact their Local Lead Agency or DHHS to inquire about subsequent income adjustment waivers for tenants during the recertification period. Please note that at recertification, subsequent waiver requests are not necessary for Key Program eligibility purposes (see *Section 3.9.10.1 Increases in Household Income*). They are only needed for purposes of tenant rent share calculation.

#### **3.9.10.1 Increases in Household Income**

Tenant income and tenant rent share must be calculated annually. The resulting amount will be included in the lease or the *SHDP Key Lease Addendum*. Income increases above 30% AMI do not affect Key Program eligibility. The tenant rent share simply increases proportionate to the increase in income. Property management should continue to calculate tenant rent share using the Key formula until tenant rent share reaches the full Key payment standard. Households with tenant rent share equivalent to the full Key payment standard should continue to be included in the monthly Key requisition (subsidy listed at \$0).

### 3.9.10.2 Decreases in Household Income

Property management may re-certify income outside of the normal annual income re-certification period to accommodate Key eligible households that experience a decrease in income. A new *SHDP Key Rent and Subsidy Calculation Worksheet* will need to be completed using the new income figure.

### 3.9.10.3 Changes in Household Size

If household size decreases over the course of tenancy and during re-certification a household is found to no longer meet the Key Program minimum household size per unit size standard, the household's rent share should be increased to the percentage of rent associated with the unit size for which it is presently eligible and property management should put the household on the waitlist for the next available unit appropriate for the household's size.

### 3.9.11 Homeless Waivers

Homeless Waivers are only available for SHDP owners that have been approved by NCHFA and DHHS to have this type of Key Program Waiver available for referred applicants.

This waiver to Key Program requirements that applicants have income based upon disability and have minimum monthly income of \$300 is available to meet the needs of homeless persons with disabilities who have applied for Social Security disability benefits, but have not yet completed the disability determination process.

This waiver is available in either of the two following scenarios:

- Developments using SHDP 400 funds to match HUD Supportive Housing Program (SHP) funds to serve the homeless may propose this waiver for the number of units not supported by the McKinney-Vento SHP operating assistance. See *Section 3.9.12 Key Program Requirements for Projects with HUD SHP Funding* for more information.
- Developments serving persons with disabilities may utilize this waiver in up to 25% of the units in their development in order to serve this population.

In addition to the *Targeting Program Letter of Referral*, agencies referring applicants who wish to apply for this waiver are required to provide the following to DHHS at the time the referral is submitted:

1. Documentation of the prospective tenant's homeless status according to standards used in the federal McKinney-Vento Supportive Housing Program (*Verification of Homeless Form*).
2. Documentation that the prospective tenant has a long term disability according to Social Security standards (*Key Program Verification of Disability Form* signed by Qualified Professional).
3. Documentation that the prospective tenant has an active application with Social Security and an Appointment of Representative form has been submitted and approved by Social Security and Disability Determination Services (copies of correspondence from Social Security).

4. Documentation that the referral agency has the capacity and commitment to assist the prospective tenant in the successful conclusion of the disability determination process and will assist the prospective tenant in meeting his/her basic needs for utilities, furniture, groceries, etc. (Letter on referral agency letterhead signed by agency head or designee).
5. Periodic documentation on the status of the prospective tenant's application for disability benefits (form and frequency to be determined).

DHHS will forward waiver request approval letters to property management for those applicants that have been granted Homeless Waivers. Property management must include the approval letter with the initial Key requisition sent to NCHFA for tenants receiving such waivers.

### **3.9.12 Key Program Requirements for Projects with HUD SHP Funding**

Unlike other typical sources (Section 8, Shelter Plus Care, USDA 515), HUD Supportive Housing Program (SHP) operating assistance is not tied to units or occupancy. If a project that has a HUD SHP operating assistance award wishes to request Key Program operating assistance, then HUD SHP operating assistance must be pro-rated to estimate the number of units that are not assisted by HUD SHP. The remaining units may be eligible for Key Program operating assistance.

HUD SHP funding requires that owners charge tenants 30% of their adjusted income for rent. This rule takes precedent over standard Key Program tenant rent share calculation rules regardless of whether HUD SHP funding is for capital or operating expenses. Instructions for developments with HUD SHP funding are incorporated into the SHDP Key Rent and Subsidy Calculation worksheet.

Because of HUD's tenant rent share requirements, SHDP 400 developments with HUD SHP funding should use the SHP version of the *Key Lease Addendum*.

Developments with HUD SHP funding may have requirements to provide and/or monitor services for tenants. It is important that owners and property management work with NCHFA and DHHS prior to leasing to ensure that the HUD SHP service requirements do not conflict with the requirements of Key Program operating assistance.

### **3.10 SHDP Project Reporting Requirements**

All SHDP tenant households must be headed by adults with disabilities and total household income must be at or below 30% of the area median income at time of move in. SHDP developments must submit documentation to NCHFA at time of move-in for each new tenant living in Targeted Units.

- Regardless of rent/operating assistance type, property management must provide NCHFA with the NCHFA Tenant Income Certification and Employment Verification, if applicable, for each tenant.
- If the unit is supported by Key Program rent assistance see *Section 3.9.6 Key Requisitions* for other documentation requirements.
- If the unit is supported by rent/operating subsidy other than Key Program rent assistance, property management must provide NCHFA with the *SHDP Disability Verification* form for each tenant.

In addition to the above documentation requirements, all SHDP developments regardless of rent/operating assistance type must submit a *Qualified Tenant Roll* to NCHFA annually, which documents all move ins and move outs in the reporting year. *Qualified Tenant Roll Instructions* and all other documents referenced above are available on the NCHFA website. See *Section 6.1 Owners and Property Management for website addresses*.

### 3.11 Other Types of Targeted Unit Affordability

Some developments make their Targeted Units affordable through mechanisms other than the Key Program. Developments that have Targeting Plans specifying that project based rent assistance (PBRA) will be used to make Targeted Units affordable are bound by rules associated with the PBRA funding source and then the Targeting Plan. Some developments have PBRA for less than 100% of units. In these circumstances, Targeting Plans may indicate that PBRA and Key rent assistance will be used to make Targeted Units affordable. If all PBRA units are leased before the total required number of Targeted Units are leased, the development will utilize Key Program rent assistance to make the remaining Targeted Units affordable.

### 3.12 NCHFA Compliance Reviews

NCHFA periodically monitors properties that receive agency funds to ensure compliance with federal and state rules and regulations. Sources of funds to finance rental housing include state and federal Housing Credits, State Housing Trust Funds and HUD's HOME program funds. A percentage of units at properties may be targeted for residents with disabilities and these units may have Key Program operating assistance.

NCHFA's Supportive Housing Development Program (SHDP) helps nonprofits, local governments, and lead regional organizations develop emergency, transitional and permanent housing for persons who are homeless and/or have disabilities. Operating assistance for some of the units that offer permanent housing has been made available under the Key Program to properties funded under the SHDP program.

The frequency of monitoring visits is determined under the NCHFA monitoring policy and is based on the number of low-income units, but reviews can be conducted more frequently if necessary. The following schedule is used to determine monitoring reviews under the Supportive Housing Development Program:

1-5 units	Every third year
5-25 units	Every other year
26+ units	Every year

Reviews consists of a file review to determine if residents are income qualified and if documentation is sufficient to support eligibility and a property inspection to establish that the property is suitable for occupancy. NCHFA may combine the property inspection and file review or complete reviews separately for at least 20% of the low-income files and units. Additionally, projects are reviewed to verify that each qualified household has a standard Targeting Program Letter of Referral or other required eligibility documentation. Additional review is completed for units with Key operating assistance.

A monitoring report should be issued in about thirty days of the file review or property inspection. The monitoring report will address any concerns, comments or non-compliance violations identified during the review. Owners are given thirty days to respond to any notices of non-compliance.

### 3.13 Fair Housing

As previously discussed, property managers screen Targeted Unit applicants with the same criteria used for all housing applicants and once the applicant leases a unit the Targeted Unit tenant has the same rights and responsibilities of tenancy as any other tenant. The criteria for screening and maintaining tenancy include applicable regulations related to the housing program, NC Landlord-Tenant law and federal and state Fair Housing Law.

Fair Housing Laws prohibit discrimination against people based on their race, color, religion, national origin, sex, familial status, or disability. For persons with disabilities Fair Housing Law goes a step further, making it illegal to:

- fail to make **reasonable accommodation** in rules, policies, and services to give a person with a disability equal opportunity to occupy and enjoy the full use of a housing unit, and
- fail to allow **reasonable modification** to the premises if the modification is necessary to allow a person with a disability full use of the premises.

In other words, treating everyone the same may violate federal law.

Determining what is a reasonable accommodation or a reasonable modification requires a balancing of interests and a case-by-case judgment as to what is “reasonable”. Because none of the laws define which accommodations or modifications are “reasonable”, NCHFA has published *“Fair Housing for Tenants with Disabilities: Understanding Reasonable Accommodations and Reasonable Modifications.”* The Guide provides basic information on these important protections and guidance for property managers and persons with disabilities including numerous examples which illustrate standards the courts use in determining what is “reasonable”. The Guide is available upon request from NCHFA or can be downloaded from [www.nchfa.com/forms/index.aspx](http://www.nchfa.com/forms/index.aspx).

It is beyond the scope of this document to reprint information that is included in Fair Housing trainings or the Guide referenced above, but property managers should be advised of the following:

- While property managers are correctly concerned about the safety and well being of all their tenants, it is illegal to base decisions on fear, speculation or stereotypes about a particular disability or persons with disabilities in general.
- Reasonable accommodation and reasonable modification requests require an individualized assessment of the person’s situation and circumstances. A blanket rule, either stated or in a pattern of practice, that “we do not provide accommodations for xxx” may be illegal.
- Rental assistance (Section 8, Key Program, etc.) should be taken into consideration when evaluating ability to pay rent and requests for reasonable accommodations to standard credit history criteria.

- The person must request the accommodation and in doing so has revealed that they have a disability. Property managers may request proof that the person has a disability and is covered under the law. They may also request additional information that the accommodation or modification is necessary and/or will address the issue. Further inquiry into the nature and type of the disability, however, must be limited to matters directly related to the requested accommodation or modification.
- Timeliness in responding to reasonable accommodation or reasonable modification requests is important. Undue delay in responding to requests could be seen as a refusal to make an accommodation or allow a modification, and consequently, a violation of the law.

If an applicant is denied housing for any reason, it is not acceptable to rent the unit until they have had the opportunity to appeal the denial (14 days) and/or have their request for an accommodation considered and have been informed of the decision. If a tenant submits a reasonable accommodation request in response to a lease termination or eviction notice, the termination process should not proceed until a decision on the request has been made and communicated to the tenant.

## **4.0 LOCAL LEAD AGENCIES**

### **4.1 Local Lead Agency Role and Responsibilities**

The Local Lead Agency role is designed to accomplish four primary goals:

- Help meet the business needs of property management by providing property management one point of contact for issues that may arise during the tenancy of Targeted Unit residents.
- Help protect tenant confidentiality by minimizing property management involvement with tenants' service needs.
- Act as provider, coordinator or referral agent for the range of community services available to Targeted Unit tenants to maximize residential stability.
- Provide technical assistance and guidance to participating referral agencies in assisting individuals they have referred to the Targeting Program.

Targeting Plans describe the basic agreement between owners, property management and Local Lead Agencies in the form of a Memorandum of Understanding (MOU). In the MOU, Local Lead Agencies agree to the following:

- Act as liaison between property management and Targeted Unit tenants' referral agencies to address issues with tenancy should they arise.
- Facilitate access to an array of supportive services for Targeted Unit tenants offered by participating human services agencies. These services shall be available to said tenants on an as-needed basis, and receipt of these or any other services shall not be a condition of tenancy.
- Facilitate communication with property management, referral agencies and DHHS by designating, and maintaining in the event of staff turnover, named individuals as the primary contact and as the back-up contact on matters related to Targeted Units.

Agencies fulfilling the Local Lead Agency role may serve a particular disability group, but in their role as Local Lead Agency they assist property management and participating referral agencies to address the needs of Targeted Unit tenants regardless of tenants' disability type.

Many Local Lead Agencies are also approved referral agencies.

### **4.2 History of the Local Lead Agency Role**

As the Targeting Program has evolved so has the role of Local Lead Agencies. Up until early 2009, Local Lead Agencies were responsible for not only facilitating access to supportive services when issues arose during the tenancy of Targeted Unit tenants, but they also managed the Targeted Unit referral process. Local Lead Agencies accepted referrals from the human service and prescreened referrals for Targeted Unit eligibility. Managing the referral process involved establishing and maintaining waitlists for Targeted Units and assisting property management in filling units with individuals from those waitlists.

In fall 2007 DHHS convened a statewide meeting of Local Lead Agencies. During the meeting Local Lead Agencies expressed concern over the growing demands of managing the referral process for a rapidly expanding program. After the statewide meeting, NCHFA and DHHS determined that a new referral management process would be needed for long-term program sustainability. DHHS has since taken responsibility for managing the referral process for developments with Targeted Units and Local Lead Agencies have shifted their attention to help ensure successful tenancy for Targeted Unit residents.

### **4.3 Partnering with Property Management and Approved Referral Agencies**

Partnership between Local Lead Agencies and property management is essential to successful program operation. There may be occasions when property management will identify issues during Targeted Unit tenancy before the tenant's service agency is aware of any issues. If property management and Local Lead Agency representatives have established a good working relationship, property management should feel comfortable in calling Local Lead Agencies as soon as they identify a potential problem and confident that Local Lead Agencies will follow up on such calls.

Property managers are trained to call Local Lead Agencies at the first sign of difficulty a Targeted Unit tenant may be experiencing. The goal of the property management – Local Lead Agency partnership is to facilitate early intervention regarding challenges Targeted Unit tenants may be facing so those challenges do not grow into problems that jeopardize tenancy.

DHHS provides Local Lead Agencies Targeted Unit tenancy lists for each property they partner with. Information includes the tenant's first name and first initial of their last name, date of move-in and full contact information for his or her referral agency point person and back-up person. This information allows Local Lead Agencies to follow up with individual referral agencies so they can intervene and assist the tenant.

At a minimum, Local Lead Agencies will contact referral agencies to share the information they have learned from property management so the referral agency can appropriately respond to the issue at hand directly with the tenant. In many cases, Local Lead Agencies provide technical assistance to referral agencies in assisting tenants experiencing difficulty. On other occasions, Local Lead Agencies may become more directly involved in working collaboratively with the referral agency, property management, DHHS or other community partners in figuring out how to best address the challenge faced by the tenant.

### **4.4 Housing Support Committee Participation**

In many communities Local Lead Agency representatives chair the local Housing Support Committee or they may be a participating committee member. In either situation, Housing Support Committee participation on the part of the Local Lead Agency provides a venue for in person communication between Local Lead Agencies and approved referral agencies regarding the Targeting Program, supporting Targeted Unit tenants and learning about other housing and service resources in the community.

Some Housing Support Committees also are regularly attended by property management representatives in which case the committee setting also provides a venue

for property managers and Local Lead Agency representatives to build working relationships and communicate about the needs of Targeted Unit tenants.

#### **4.5 Local Lead Agency Best Practices**

- 1) Protection of the Targeted Unit tenants' confidential information (specific information about diagnosis, treatment needs, etc.) in all communication with Property Management and Referral agencies. While sharing some of this information may be necessary as part of requesting reasonable accommodations, shared information is limited to that which is relevant to the requested accommodation.
- 2) Ongoing tracking of Targeted Unit tenant issues including communication with property management and referral agencies, nature of the issue, actions taken and outcomes.
- 3) Sharing lessons learned from current or former Targeted Unit tenant situations with referral agencies.
- 4) Identification of patterns indicative of larger systemic barriers for persons with disabilities in maintaining housing and working with DHHS and the local Housing Support Committee to address systemic barriers.
- 5) Provision of training opportunities for participating referral agencies regarding housing support activities, Fair Housing and building knowledge of the affordable housing system.
- 6) Housing Support Committee coordination.
- 7) Regular, proactive phone calls to property management for general inquiry regarding Targeted Unit tenants.
- 8) Periodic, proactive office visits with property management regarding Targeted Unit tenants.
- 9) Provision of training opportunities for property management re: Fair Housing, diversity training, sensitivity training related to challenges and barriers experienced by persons with disabilities, etc.

## 5.0 REFERRAL AGENCIES

### 5.1 Referral Agency Role and Responsibilities

The goal of the Targeting Program is to provide housing opportunities for persons with disabilities who have housing barriers beyond financial ones. Eligible Targeting Program candidates should need ongoing access to supportive services to access *and* maintain housing in the community. This is why access to Targeted Units is by referral from approved referral agencies – agencies that have committed to provide ongoing access to supports and services to persons they refer to the Targeting Program during the application process and tenancy.

General responsibilities of referral agencies are as follows:

- Attend DHHS-sponsored Targeting Program training.
- Make referrals to Targeted Units for eligible individuals.
- Assist persons in the application process, including requesting and negotiating reasonable accommodations and modifications, if applicable.
- Remain the point of contact for referred tenants should tenancy issues arise.
- Coordinate reengagement in, or referral to, appropriate supports and services for Targeted Unit tenants should they need assistance.
- Collaborate with other community partners to support tenants and build local housing knowledge through local Housing Support Committee participation.

### 5.2 Becoming an Approved Referral Agency

Human service providers are eligible to become approved referral agencies if they have the professional capacity to assist persons with disabilities by:

- Assessing individuals' potential for success in independent housing with access to the supports and services determined necessary, appropriate and available at time of referral.
- Providing referred tenants continued access to supports and services.
- Coordinating appropriate supports and services through community providers should persons' needs exceed the agency's service capacity or array.

To become an approved referral agency, human service providers must:

- Meet referral agency eligibility described on the *Referral Agency Agreement to Participate*.
- Complete and return the *Referral Agency Agreement to Participate* to regional DHHS staff.
- Have the point and the back-up persons identified on the Agreement to Participate attend a DHHS-sponsored training.

These conditions to become an approved referral agency have been instituted to help ensure that human service agencies have a strong understanding of the program and of the commitment that comes with program participation. The program is designed to

serve extremely low-income persons with disabilities who need ongoing access to services to help them access and maintain housing in the community. It is crucial that referral agencies fully understand who is eligible and appropriate for the program, how to make referrals, and the responsibilities involved with assisting persons in the housing application process and providing ongoing access to services to Targeted Unit tenants.

*Referral Agency Agreements to Participate* must be signed by an authorized agency representative i.e. Executive Director, Program Director, etc. so that understanding of program involvement exists at the management level. The authorized agency representative should also appoint appropriate individuals within their agencies to be point and back-up persons based on an understanding of these roles and associated responsibilities.

### **5.3 Point and Back-up Person Responsibilities**

The Targeting Program aims to provide broad access to Targeted Units in a disability neutral fashion. To help increase access, DHHS engages in continual outreach to human service agencies to broaden the base of participating agencies and, consequently, overall program access. Because hundreds of agencies participate in the program statewide, all approved referral agencies must identify two staff members - the point and back-up persons – to be the communication link between the referral agency, DHHS and Local Lead Agencies (LLA).

Point and back-up persons monitor and track all referrals being made by individual agency staff. While individual agency staff may identify consumers to refer to the Targeting Program and complete referral paperwork, all referrals from the referral agency to DHHS must be signed off on by either the point or back-up persons.

Responsibilities of point and back-up persons include the following:

- Train Agency staff (who may identify persons for Targeted Units) on Targeting Program policies and procedures and on the expectations associated with referring individuals to the Targeting Program including verification of eligibility, assisting persons in the housing application process and supporting tenants post-leasing.
- Review all referral forms for appropriateness and accuracy and provide signature before forms are faxed to DHHS.
- Keep a record of all referrals made to the Targeting Program and of those referred applicants who end up leasing Targeted Units. Keeping a record of referrals and Targeted Unit tenants, including who individual case workers are for each referred person, will help point and back-up persons triage issues when called by DHHS or LLAs.
- Assist DHHS with referral-related issues in a timely manner.
- Assist LLAs with Targeted Unit tenancy issues in a timely manner.
- Notify DHHS when and if persons should be removed from waitlists because of a change in circumstances i.e. persons find other housing, leave the area, no longer are deemed appropriate for referral, etc.

## **5.4 Maintaining Status as an Approved Referral Agency**

DHHS may put approved referral agencies on probationary status or remove agencies from the approved referral agency list if agencies do not comply with the terms of the *Referral Agency Agreement to Participate*. These options will be used where there is a persistent pattern of agency staff being unable to do the following:

- communicate with DHHS in a timely manner regarding referrals.
- adequately assist persons in the housing application process.
- communicate with LLAs in a timely manner regarding tenancy issues.
- adequately support Targeted Unit tenants when intervention is needed.

Referral agencies must also notify DHHS of changes in point or back-up persons. Persons new to the role will need to participate in the DHHS-sponsored referral agency training within a timely manner for the agency to remain on the approved referral agency list.

## **5.5 Targeting Program Referral Process**

Referrals must come to DHHS through the identified point or back-up persons at each agency. This ensures that one person within each agency assumes responsibility for overseeing the appropriateness of referrals to the program and is monitoring and tracking all referrals. The following sections describe the step-by-step referral process.

### **5.5.1 Assessing Consumer Appropriateness for the Targeting Program**

The Targeting Program goal is to provide housing opportunities for persons with disabilities who not only have financial barriers to housing, but who also require ongoing access to supportive services to help them access and maintain community housing. It is important that agencies understand that this type of supportive housing is very independent and may not be appropriate for some persons depending on individual ability to maintain housing in such settings with the level of supportive services available to them.

### **5.5.2 Identifying Local Targeting Program Housing Options**

DHHS provides approved referral agencies information about apartment developments with Targeted Units through *Local Housing Support Committee Property Listings*. These listings provide agencies information to help persons decide if they'd like to be referred to specific properties and to determine if the person meets property specific eligibility criteria.

Housing choice is a strong predicator of housing stability so persons should only be referred to those properties where they are interested in living. Considering the property's location, accessibility to public transportation, community amenities and individuals' natural support systems is critical when helping persons make housing decisions.

Referral agencies should make every effort to refer persons only to properties for which they are eligible. For instance, some properties are restricted to persons over a certain age. Other properties may not have adequate unit sizes to meet the needs of the person's household. The type of affordability mechanism (rent assistance) available for Targeted Units varies across properties and also has a large bearing on whether households meet eligibility criteria.

All property listings include the property address, affordability mechanism, number of Targeted Units, property specific eligibility criteria, unit sizes, Targeted Unit tenant rent share and information about whether waitlists are open for new referrals.

Property listings are typically updated monthly and distributed to referral agencies via email distribution lists maintained by DHHS.

Because referral agencies make a commitment to support Targeted Unit tenants whom they have referred, agencies can only refer persons to Targeted Unit properties located in counties within their service areas. This is particularly relevant for members of local Housing Support Committees that encompass multiple counties, some of which may not be part of all member agencies' service areas.

### **5.5.3 Determining Applicant Eligibility**

Initial screening for program eligibility for Targeted Units is decided at the referral agency level and is documented by the Targeting Program Letter of Referral. The vast majority of Targeted Units are targeted to households headed by persons with disabilities. The program uses the definition of disability outlined in NCGS § 168A-3 which states that a person with a disability means any person who (i) has a physical or mental impairment which substantially limits one or more major life activities. Referral agencies are responsible for assessing if persons meet this definition of disability and need ongoing access to services to maintain housing in the community. Depending on the type of rental assistance connected to Targeted Units, additional disability verification may be required.

Remaining eligibility criteria for Targeted Units is largely dictated by the type of rent assistance connected to the unit, but persons must also meet basic project eligibility criteria and pass standard property management screening criteria. An example of basic project eligibility criteria is whether a development is age restricted. Some properties have certain age restrictions and referred persons may need to meet such restrictions. Referred persons will also have their lease application processed the same as regular (non-targeted) lease applicants including credit, criminal and rental history background checks. It is the responsibility of property management to determine and document whether the household meets the income qualifications associated with Targeted Units.

### 5.5.3.1 Eligibility for Targeted Units with Key Program Rent Assistance

The majority of Targeted Units have Key Program rent assistance (Key). To be eligible for Targeted Units with Key, persons must meet *all* of the following Key eligibility criteria:

- Households must be headed by adults with income based on his/her disability from a state/federal program (SSI, SSDI or VA benefits) **OR** headed by adults over the age of 65 who have SSI. *If the disability benefit decision is pending or disability income is temporary such as worker's compensation, households are not eligible for Key.*
- Total gross household income cannot exceed 30% area median income (AMI).
- Household income is a minimum of \$300 per month.
- Households meet the minimum household size per unit size standards provided in Table B. *Single person households may be referred to two-bedroom units if no one-bedroom units were built at the property.*

Table B

Unit Size	Minimum Household Size
1 Bedroom	1 person
2 Bedroom	2 persons
3 Bedroom	4 persons
4 Bedroom	6 persons

Referral agencies should not refer households to Targeted Units with Key if they do not meet all eligibility criteria unless the referral agency believes that the household may be eligible for a Key Program Waiver. See *Section 5.5.6.1 Key Program Waivers*.

### 5.5.3.2 Eligibility for Targeted Units with Other Types of Rent Assistance

The other main source of rent assistance for Targeted Units is project based rent assistance (PBRA) from the US Dept. of Housing and Urban Development (HUD) or the US Dept. of Agriculture (USDA). Like Targeted Units with Key, eligible persons must be referred by approved referral agencies and meet the targeted population which is almost always households headed by persons with disabilities. Other eligibility criteria associated with PBRA is dictated by HUD or the USDA.

A few properties funded in 2002 and 2003 agreed to charge lower rents to persons occupying Targeted Units. These properties have set or skewed rents that increase the affordability of Targeted Units beyond normal income targeting rent levels. *Targeting Program Letters of Referral* document eligibility for Targeted Units with set/skewed rents.

### 5.5.4 Completing Referral Forms

Referral agencies must complete two forms when making referrals: *Applicant and Household Information* and the *Targeting Program Letter of Referral*. Information on the first form helps DHHS process referrals and is not forwarded to property management. Letters of referral are forwarded to property management so they know who to expect to apply to available Targeted Units. Property management also uses letters of referral to verify Targeted Unit occupancy during NC Housing Finance Agency (NCHFA) compliance reviews and to requisition NCHFA for Key funds.

If persons wish to be referred to multiple properties, a unique letter of referral is needed for each property.

DHHS returns incomplete referral forms to referral agency point persons and asks that point persons correct forms before placing individuals on waitlists.

### **5.5.5 Waitlist Placement and Notification of Available Units**

DHHS places referred persons on property specific waitlists in a first-in-time manner and confirms waitlist placement with agencies. Until a unit becomes available, there is no further action required on the part of the agency or the individual. Agencies, however, may work with persons to prepare for eventual housing application i.e. help persons repair credit, engage in life skills development, etc.

When Targeted Units become available property management notifies DHHS directly. DHHS reviews the waitlist to identify the first eligible person for the unit and contacts the referral agency to see if the individual still needs housing and is able to apply for housing at that time. (If the person is not ready to apply for housing, he/she will remain on the waitlist unless otherwise specified by the agency.)

There are three cases in which persons may be referred to apply for available Targeted Units a head of persons placed on waitlists at earlier points in time.

- DHHS will only forward letters of referral to property management for households that meet unit-specific eligibility criteria. For instance, if the available Targeted Unit has Key and is a 3-bedroom unit, the first 4-person household on the waitlist will be referred to apply for the unit because smaller households are not eligible under Key Program rules for 3-bedroom units.
- Households with accessibility requirements have priority for accessible units. If a fully accessible unit becomes available, households requiring such units are referred over households that do not require such units.
- A few properties have preferences for certain types of targeted populations. For example, if a property has been approved to have a preference for persons with developmental disabilities because of on-site service availability, waitlisted persons that meet the preference will be referred first.

Referral agencies should not call DHHS staff to inquire about waitlist position for applicants. Knowing waitlist position actually provides little indication of how quickly the referral agency will be notified of an available unit for an applicant due to the situations above, the unpredictability of unit turnover and other factors like persons at the top of the waitlist not being in a position to apply for housing at the time a unit comes available or being denied housing upon application causing DHHS to move further down the waitlist in effort to fill the available unit.

### **5.5.5.1 Change in Service Providers for Waitlisted Persons**

If a relationship between a referral agency and a waitlisted person comes to an end, the agency should notify DHHS of the person's new service provider so that they may be contacted regarding the person's status on the waitlist. If the agency is unaware of the person's new service provider or there isn't one, the agency should notify DHHS to remove the person from the waitlist. (Without referral agency representation, DHHS does not have a means to communicate with waitlisted persons and without referral from an approved referral agency, individuals are not eligible for the Targeting Program.)

### **5.5.6 Assisting Applicants during the Housing Application Process**

Assisting applicants during the housing application process extends beyond making the Targeting Program referral and may play a central role in whether the referral results in tenancy for the applicant. Referral agencies may be able to assist the applicant in a number of ways during the application process depending on the person's needs.

The applicant has seven days to initiate the lease application process with property management from the date property management receives the letter of referral from DHHS. Unless the property is new and leasing units for the first time, there is a 30-day window to fill the Targeted Unit. Any delay on the part of the referral agency and/or the applicant may result in loss of the Targeted Unit for that applicant or others on the waitlist. There is a 90-day window to fill Targeted Units at new properties.

Ideally, the applicant will be well on his/her way in completing the housing application process within 7 days. This includes securing and submitting the housing application with all required documents and payment for application fees and/or credit and criminal background checks which will likely require a money order.

Once the housing application is submitted, property management will make the housing determination decision and will notify the applicant and DHHS of the decision. If the applicant has been approved for housing, DHHS will notify the referral agency so the agency can assist the applicant with establishing a move in date and lease signing, paying security and utility deposits and moving into the unit. If the housing application is denied, the referral agency should consider whether the applicant is appropriate to pursue a request for a reasonable accommodation. DHHS staff are available to assist agencies in submitting requests for reasonable accommodations. See *Section 5.5.6.2 Reasonable Accommodation and Modification Requests*.

#### **5.5.6.1 Key Program Waivers**

There are limited cases when Key Program Waivers may be requested. Only referral agencies can sponsor waiver applications, which are submitted to DHHS for review and approval. Instructions and forms needed to submit waiver requests are available in the *Key Program Waiver Packet* which is available from DHHS. DHHS staff are available to assist agencies in submitting waiver applications.

If a household needs a waiver, the referral agency should let DHHS know at the time the agency makes the referral. Income waivers require a copy of the *Tenant Income Certification* from property management. Consequently, complete waiver request applications related to income cannot be submitted to DHHS until the applicant household has come to the top of the waitlist and has been directed to apply for housing at the property.

Applicant households may be granted Key Program Waivers for the following reasons:

- Household needs a larger unit size than allowed by the Key Program.
- Key Program rent share poses an undue burden.
- Household income exceeds 30% AMI, but the household has eligible income deductions.
- Household has multiple members with disability income resulting in household income that exceeds 30% AMI.
- Household is headed by a person 65 years or older who receives regular Social Security, and previously received disability income or who has become disabled since turning 65.
- Persons are homeless and are in the midst of the disability benefit determination process.

All income related waivers require a copy of the *Tenant Income Certification* from property management. *Tenant Income Certifications* are requested from property management by the referral agency that submits the waiver request to DHHS once persons come to the top of Targeted Unit waitlists.

See *Section 3.9.11 Homeless Waivers* for information about how to request these waivers.

### **5.5.6.2 Reasonable Accommodation and Modification Requests**

Fair Housing Law provides persons with disabilities the ability to request reasonable accommodations to afford him/her equal opportunity to use and enjoy housing. When persons with disabilities are denied housing during the application process, the person may make a request for a reasonable accommodation in an attempt to reverse the denial decision. In order to request a reasonable accommodation the person must demonstrate that the reason for denial is related to the disability and that actions have been taken to ameliorate risk associated with the denial reason.

The legal right for persons with disabilities to request reasonable accommodations is well documented in Fair Housing Law, yet few people are aware of this fair housing tool. Referral agencies are uniquely situated to assist applicants in requesting reasonable accommodations upon denial and many persons have gained access to Targeted Units through the reasonable accommodation process.

Once property management notifies the applicant and DHHS of a denial decision, prompt action on the part of the applicant and referral agency is necessary if the applicant wishes to request a reasonable accommodation. Property management companies commonly give housing applicants 10 to 14 days from notification of the denial decision to appeal the decision/request a reasonable accommodation.

Neither the appeal process nor the procedural requirements and time frame property management undertake once a reasonable accommodation request is made are stipulated by Fair Housing Law. Consequently, the best course of action when making requests is for applicants to submit well written requests in a timely fashion that provide good documentation of the connection between the denial issue and the disability and actions taken to address the issue.

Reasonable accommodations can be requested during the housing application process or during tenancy.

Applicants may also request reasonable modifications which result in a physical change to the interior of a dwelling, common areas or parking lots.

For more information about reasonable accommodations and modifications read *Fair Housing for Tenants with Disabilities: Understanding Reasonable accommodations and Reasonable modifications* (2008 Updated Edition). This document is available on the NCHFA website at [www.nchfa.com/forms/index.aspx](http://www.nchfa.com/forms/index.aspx).

## **5.6 Supporting Targeted Unit Tenants**

Gaining access to affordable and decent housing is just the first step on the path to housing stability. In the months and possibly years that follow initial leasing, Targeted Unit tenants may need active housing-related support from their referral agencies to ensure that they successfully maintain housing in the community.

### **5.6.1 Working with Local Lead Agencies**

Every property with Targeted Units partners with one human service agency referred to as a Local Lead Agency (LLA). LLAs act as liaisons between property management and referral agencies to address issues during Targeted Unit tenancy should they arise. The benefit of the LLA role is that property management has one point of contact for all Targeted Unit tenants and confidentiality of tenants' service-related information is enhanced with the separation between referral agencies and property management.

The best way to preserve tenancy for Targeted Unit residents is early identification of issues before they escalate into serious lease violations. Property management is encouraged to call LLAs at the first sign of trouble and LLAs in turn will contact referral agencies to intervene with their applicants. Referral agency point and back-up persons work with LLAs to triage issues as their participation in the program requires. LLAs act in a volunteer capacity and have limited capacity to directly assist tenants served by other agencies.

Referral agencies may contact LLAs proactively to let them know that tenants are experiencing difficulty. This will help LLAs in their communication with property management, may help de-escalate issues and LLAs may provide the agency valuable technical assistance in addressing the issue.

Referral agencies, with consent from their clients, may engage in direct relationships with property management. When this occurs it is important to remember that LLAs are there as an additional resource and can be called upon for guidance in addressing tenant needs.

### **5.6.2 Change in Service Providers**

If a relationship between a referral agency and a current Targeted Unit tenant comes to an end, the agency should notify DHHS of the tenant's new service provider so the LLA has a point of contact for the tenant should issues arise during his/her tenancy. If the agency is unaware of the person's new service provider or there isn't one, the agency agrees to remain a last point of contact for the tenant. If the tenant requires intervention at some point in the future, the agency will be contacted by the LLA.

Referral agencies' ability to provide assistance in these cases may be limited, but the expectation of program participation is that agencies make a good faith effort to do what is reasonably within their power to provide assistance to former clients. In past cases, agencies have sent tenants letters with recommended actions to preserve his/her tenancy or have offered assistance in service re-engagement at the agency or elsewhere. These seemingly modest interventions can and have resulted in avoided evictions.

### **5.7 Housing Support Committee Participation**

Referral agencies are invited and encouraged to participate in their local Housing Support Committee. Housing Support Committees provide a venue for referral agencies and other community partners to network, learn about housing and share information and resources to support persons with disabilities living in Targeted Units and elsewhere.

There are approximately 33 local Housing Support Committees associated with the Targeting Program throughout the state that meet monthly or bi-monthly. Some Housing Support Committees were created solely in relationship to the Targeting Program and other committees were already in existence prior to the Targeting Program. DHHS Targeting Program staff chair some committees, but a majority are chaired by local partners connected to the human service system.

## 6.0 DOCUMENTS AND FORMS

There are numerous documents and forms associated with the Targeting and Key Programs. Section 6.1 lists all documents and forms needed by owners and property management who have developments with Targeted Units and Key Program rent assistance. Section 6.2 lists all documents and forms needed by referral agencies.

### 6.1 Owners and Property Management

Document/Form Name	Where to Find	Updated
<b>Basic Targeting Program Information</b>		
SHDP Targeting Plan and Key Program Operating Assistance: Basic Procedures and Requirements	<a href="http://www.nchfa.com/Rental/Mforms.aspx">www.nchfa.com/ Rental/Mforms.aspx</a> under Supportive Housing Development Program.	3/26/09
Targeting Plan and Memorandum of Understanding Template	Contact regional DHHS staff.	Depends on funding program.
Sample Targeting Program Letter of Referral	<a href="http://www.nchfa.com/Rental/Mforms.aspx">www.nchfa.com/ Rental/Mforms.aspx</a> under DHHS Targeting Plans and Key Program Assistance.	1/12/09
Property Mgmt. Notification Forms	Contact regional DHHS staff.	3/25/09
NCHFA Income Limits	<a href="http://www.nchfa.com/Rental/Mincomelimits.aspx">www.nchfa.com/Rental/Mincomelimits.aspx</a>	Current year
Targeting Program Region Map (Regional DHHS Staff Contact Information)	<a href="http://www.nchfa.com/Rental/Mforms.aspx">www.nchfa.com/ Rental/Mforms.aspx</a> under DHHS Targeting Plans and Key Program Assistance.	2009
NCHFA Property Mgmt Training Dates	<a href="http://www.nchfa.com/Rental/Mtraining.aspx">www.nchfa.com/Rental/Mtraining.aspx</a>	2009
Targeting Program Manual for Supportive Housing Development Program Participants	<a href="http://www.nchfa.com/Rental/Mforms.aspx">www.nchfa.com/ Rental/Mforms.aspx</a> under Supportive Housing Development Program.	July 2009
Fair Housing for Tenants with Disabilities: Understanding Reasonable Accommodations and Reasonable Modifications	<a href="http://www.nchfa.com/forms/index.aspx">www.nchfa.com/forms/index.aspx</a>	2008 Updated Edition
<b>SHDP Tenant Verification and Qualified Tenant Roll Forms</b>		
Certification Questionnaire	<a href="http://www.nchfa.com/RentalMforms.aspx">www.nchfa.com/RentalMforms.aspx</a> under Supportive Housing Development Program.	na
Employment Verification		na
Tenant Income Certification		na
Disability Verification Form <i>(Used for non Key SHDP 400 Targeted Units and Homeless Key Waivers.)</i>		na
Verification of Homelessness Form <i>HUD McKinney Vento form used for non Key SHDP 400 Targeted and Homeless Zero Income Key waiver units.)</i>		na
Qualified Tenant Roll		2/07
Qualified Tenant Roll Instructions		na

Document/Form Name	Where to Find	Updated
<b>Key Program</b>		
SHDP Key Owner Agreement to Participate (OAP)	<a href="http://www.nchfa.com/RentalMforms.aspx">www.nchfa.com/RentalMforms.aspx</a> under Supportive Housing Development Program.	na
Direct Deposit Authorization	<a href="http://www.nchfa.com/RentalMforms.aspx">www.nchfa.com/ Rental/Mforms.aspx</a> under DHHS Targeting Plans and Key Program Assistance.	Na
IRS Form (W-9)		na
SHDP Key Rent and Subsidy Calculation Worksheet	<a href="http://www.nchfa.com/RentalMforms.aspx">www.nchfa.com/RentalMforms.aspx</a> under Supportive Housing Development Program. Under development.	4/22/09
SHDP Key Lease Addendum		na
Key Lease Addendum (SHP version)	Contact NCHFA staff.	2/12/09
Key Program Requisition Form	<a href="http://www.nchfa.com/RentalMforms.aspx">www.nchfa.com/ Rental/Mforms.aspx</a> under DHHS Targeting Plans and Key Program Assistance.	8/12/08
Key Program Termination Notice		8/12/08

## 6.2 Referral Agencies

Document/Form Name	Where to Find	Updated
Targeting Program Region Map (Regional DHHS Staff Contact Information)	<a href="http://www.nchfa.com/Rental/Mforms.aspx">www.nchfa.com/ Rental/Mforms.aspx</a> under DHHS Targeting Plans and Key Program Assistance.	na
Referral Agency Invitation to Participate	Contact regional DHHS staff.	6/30/09
Referral Agency Agreement to Participate		6/30/09
Housing Support Committee Property Listings		monthly
Targeting Program Referral Packet		6/30/09
Key Program Waiver Packet		6/30/09
Targeting Program Manual for Supportive Housing Development Program Participants		<a href="http://www.nchfa.com/Rental/Mforms.aspx">www.nchfa.com/ Rental/Mforms.aspx</a> under Supportive Housing Development Program.
Fair Housing for Tenants with Disabilities: Understanding Reasonable Accommodations and Reasonable Modifications	<a href="http://www.nchfa.com/forms/index.aspx">www.nchfa.com/forms/index.aspx</a>	2008 Updated Edition