



ADDENDUM VI

Permanent Supportive Housing Inclusion Plan Requirements

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I. Overview

Basic Requirements

LIHTC projects that received a competitive allocation under the 2009 Qualified Allocation Plan (QAP) are required to have their targeted Supportive Housing households (“Targeted Units”) referred by a local human service agency (“Lead Agency”) pursuant to an Inclusion Plan. Projects are not required to provide onsite supportive services or a services coordinator, and participation in supportive services may not be a condition of tenancy.

Within 60 days after the award of Housing Credits, owners must submit an Inclusion Plan to MSHDA that identifies a Lead Agency to coordinate referrals to the Targeted Units. The Targeted Units do not establish an upper limit for the number of Supportive Housing tenants who meet the definition of Supportive Housing tenants (in Addendum III). Supportive Housing tenants who can afford the rent and/or have their own Section 8 rental assistance should be encouraged to apply to the project as any other tenant without being referred by the Lead Agency.

Accessible vs. Targeted Units

Accessible units (such as those with curbless showers) are *not* necessarily the same as the Targeted Units, and are not required to be held open during lease up. Some households referred under an Inclusion Plan may have disabilities that require an accessible unit. Others will have disabilities that are not physical in nature. Similarly, some households who may come in on their own to apply for housing may be qualified for a non-targeted unit and yet need an accessible unit.

II. Roles and Responsibilities

For each project with an Inclusion Plan, owners and/or management companies (“Management”) and a Lead Agency have entered into a Memorandum of Understanding (“MOU”) specifying:

- 1) that the Lead Agency will make supportive services available to the applicant(s) and/or act as referral agent for other community services as needed,
- 2) the willingness of all parties to negotiate reasonable accommodations to facilitate the admittance and retention of Supportive Housing tenants,
- 3) a communications plan between the Lead Agency and Management that will accommodate staff turnover and assure continuing linkages for the duration of the compliance period, and
- 4) Acknowledgment of the property's rent structure and a description of how Supportive Housing tenants may access rental assistance, should they require it, to afford the apartment rents.

Lead Agency

The Lead Agency agrees to act as a provider, coordinator or referral agent for the range of community services available to Supportive Housing tenants in their communities.

Individual property managers will develop their own working relationships with the local services community; however, to minimize Management involvement with individual

service needs, Lead Agencies have also agreed to act as the point of contact with the Management over the life of the project.

Tenant

The prospective tenant will complete an application for tenancy and any other documentation required by Management, including information required for the verification of income. Once tenancy has been established, the tenant must fulfill the obligations of tenancy, provide annual information required for verification of income, and actively pursue Section 8 assistance. The tenant is also responsible for his/her own application fee, security deposit, and rent (or, if the tenant is receiving rental assistance, his or her share of the monthly rent).

Management

Management will screen each referral, applying the same criteria used for all other applicants. Referred households must be program eligible (income, student status) and project eligible (elderly, non-elderly, household size, credit worthy, criminal background). Management will notify the applicant and Lead Agency as to whether the household's application is approved, placed on a waiting list, or rejected (reason must be disclosed). If the household doesn't meet the project's screening criteria, Management will consider requests for Reasonable Accommodations.

Management must also:

- affirmatively market to Supportive Housing tenants and maintain a record of efforts;
- notify Lead Agency prior to commencement of pre-leasing or upon receipt of notice of intent to vacate Targeted Units;
- include a section on Reasonable Accommodation in the application for tenancy;
- execute all pertinent documents to create a valid tenancy with the tenant;
- identify units with Inclusion Plan referrals in the Rental Compliance Reporting System; and
- contact the Lead Agency with questions regarding a Targeted Unit household's application and/or any issues that may arise during the tenancy.

III. Targeted Populations

PSH units must be targeted to eligible residents as defined in Addendum III of the Combined Application. In summary, they are:

- Special Needs
- Homeless
- Domestic Violence Survivors
- Chronically Homeless
- Youth Aging out of Foster Care

Eligibility for a Targeted Unit

Application for a Targeted Unit is only made through the Lead Agency's submission of a completed Letter of Referral for Low-Income Housing Tax Credit Targeted Units. A unit only qualifies as Targeted if occupied by a household referred by a Lead Agency, as documented by a Letter of Referral. Units otherwise occupied by persons with disabilities do not count towards the required number. "Walk-ins" may reveal that they

have a disability or are formerly homeless, but if the project has not received a completed Letter of Referral from the Lead Agency, the household does not count towards the required number of Targeted Units.

In addition to a Letter of Referral and meeting program/project (household size, screening criteria) standards, eligibility for a Targeted Unit depends upon the source of rental assistance.

- For households with Section 8 vouchers or PBV assisted units, the head of household meets the assistance administrator's program's definition of person with a special need, homeless, chronically homeless, domestic violence survivor, or youth aging out of foster care.
- For all other units, head of household meets applicable income restrictions for the project.

Household Composition: Unrelated Adults, Changes in Household, Children, and Live-In Caregivers

A Targeted Unit can be filled by unrelated adults, as long as one head-of-household has a disability and the household qualifies under the project's standard criteria. If a single adult or household headed by a person with a disability qualifies for and moves into a Targeted Unit, then subsequently has someone move in, it is acceptable as long as the tenant follows lease requirements (i.e. requesting person to be added to the lease, reporting any additional income).

If the head of household with a disability leaves the unit, any remaining household members that want to remain in the unit will need to qualify for the unit according to the project's standard criteria.

Households with children who have disabilities are only eligible if a head of household also has a disability.

Tenants that require caregivers or live-in aides are eligible for Targeted Units. All caregivers that reside in the unit should be screened for criminal history eligibility; however, caregivers should be screened for credit eligibility only if they are responsible to pay rent, in which case the caregiver's income is included in the total household income for income qualification and rent determination purposes.

The income of a live-in aide is not included in the household income and such individuals should not be screened for credit eligibility. Live-in aides qualify by being able to document the following:

- is essential to the care and well being of the person with disabilities,
- is not obligated to support the household, and
- would not be living in the unit except to provide the necessary assistance and supportive services.

Relatives may qualify as live-in aides, but must meet the above requirements, and documentation is essential. Leases or lease addendums should deny occupancy of the live-in aide if the other household members move from the unit, or the live-in aide violates any rules established by the development.

IV. Processing Referrals to Targeted Units

A unit only qualifies as Targeted if occupied by a household referred by a Lead Agency, as documented by a Letter of Referral. Units otherwise occupied by persons

who meet the definition of Supportive Housing tenants do not count towards the required number.

Rent-Up and Unit Mix

Management is responsible for contacting the Lead Agency prior to commencement of pre-leasing. Working with the Lead Agency early on will facilitate compliance and avoid delays in referrals and occupancy. Subject only to the federal PBV and rehabilitation exceptions below:

- 1) the Targeted Units will be held open for Lead Agency referrals for a period of sixty (60) days after Certificate of Occupancy;
- 2) after initial lease-up, Targeted Unit vacancies must be held open for referrals for a period of thirty (30) days starting when the Lead Agency receives notice of the vacancy from Management.

Management should not designate which units are going to be targeted prior to receiving referrals and should attempt to avoid concentrating the Targeted Units into one building.

Waitlists

Inclusion Plan MOUs stipulate that management must “maintain a separate waiting list for Supportive Housing tenants and prioritize these individuals for any units that may become vacant after the initial rent-up period, based upon the minimum number of units specified in the application.” During and after rent-up, Lead Agency referrals must be moved in first regardless of chronological order of the general waiting list until all Targeted Units are occupied with referrals. Management may not have a preference for referrals with a Section 8 voucher.

Once the Targeted Units are occupied, Management will work with the Lead Agency to maintain a separate waiting list for referrals to Targeted Units. Management will prioritize these households for Targeted Units that become vacant, notifying the Lead Agency of the available unit size. If no prospective tenant on the waiting list needs the available unit size, the Lead Agency has thirty (30) days to refer another prospective tenant.

Federal project-based assistance

Leasing and occupancy rules enforced by the provider of federal PBV supersede these procedures and requirements for such units. However, units occupied by Supportive Housing tenants do not count as targeted even if sent to the project pursuant to these federal rules.

Rehabilitation projects

Households who were relocated as part of a rehabilitation have first priority to return regardless of disability status. Management should notify the Lead Agency of units not filled by returning or existing tenants, and use the separate waiting list until the required Targeted Units are filled.