

**RESIDENTIAL ASSISTANCE FOR FAMILIES IN TRANSITION (RAFT)**  
**FY09 ADMINISTRATIVE GUIDELINES**

The Department of Housing and Community Development (DHCD) contracts with nine (9) Regional Non Profit Housing Agencies (RNPs) to administer RAFT throughout the Commonwealth. These guidelines will govern the provision of RAFT financial assistance and will be incorporated into the Commonwealth of Massachusetts Contract for Services between the DHCD and the RNPs.

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**I. INTRODUCTION**

RAFT is an excellent tool that can help stabilize existing tenancies in order to prevent homelessness. It is precisely the kind of resource that the January 2008 Governor's Commission 5 Year Plan to End Homelessness Report wants to see targeted to the "**right people at the right time**" as state agencies and local housing and service providers take up the challenge to design and implement flexible prevention programs.

RAFT 2009 presents the Commonwealth with the opportunity to immediately test out several of the strategies encouraged by the Commission. While the program has been successful in its four year history, it has been increasingly difficult to provide exceptional service using the first-come, first-served application process. The RNPs were inundated with applications when funds became available and the pressure to process applications in a timely manner limited their ability to determine which families were best suited for RAFT.

The Department of Housing and Community Development has therefore encouraged each of the nine administering RNPs to propose a "regionally based" program design that achieves the statutory intention of the program in their respective region.

For FY09, the RNPs will be given considerable administrative discretion to design their own processes and procedures for providing RAFT assistance. The RNPs have distinct service areas. There are a number of local factors that each RNP must consider when determining how best to provide RAFT assistance, including: employment opportunities, household income levels, private market housing costs, the availability of affordable housing, the extent to which other agencies can provide services and resources, and administrative capacity.

All of the RNPs will all be coordinating RAFT assistance within the Housing Consumer Education Centers (HCECs). HCECs provide information and referral services about housing related issues, emergency housing assistance, advocacy, counseling, and education programs. In addition, each RNP will submit an Administrative Plan to DHCD for review and approval, which describes their administrative process and identifies any priorities for targeting resources to specific client groups, based on local needs and conditions.

## **II. DEFINITIONS**

**At Risk of Homelessness-** Experiencing a significant reduction of income or increase in necessary household expenses such that the family cannot pay their current housing costs and is facing a potential eviction or loss of utility service. The RNP must make a determination that the family was not primarily at fault for causing the significant reduction of income or increase in expenses.

**Eligible Family Household-** Two or more people living together, one of whom is a dependent child under the age of 21, or

- Two or more people living together, one of whom is disabled, or
- A single pregnant head of household.

**Homelessness-** Lacking a permanent place to live. This includes families living on the street, residing in a homeless shelter, participating in a transitional housing program, doubled up with other households, or living in a severely overcrowded situation.

**Income Eligibility-** Household income must be at/below 50% of area median income as defined by the federal Department of Housing and Urban Development.

- RNP must use the RAFT Definition of Income provided by DHCD.

**Maximum Amount of Financial Assistance-** Pursuant to legislation, financial assistance cannot exceed \$3,000 per family. Eligible families can access program funds more than once, subject to the availability of program funds. However, in no event can total financial assistance to a household exceed the life-time cap of \$3000.

**Program Goal-** To provide short term, limited financial assistance which will enable families to retain housing, obtain new housing or otherwise avoid homelessness.

**Program Participant-** The term program participant refers to applicants that have been approved for RAFT assistance.

**Qualification for RAFT Funds for New Leasing-** In order to qualify for RAFT funds for leasing a new unit (security deposit, first/last month's rent), the applicant must provide information/documentation to the RNP which substantiates that the applicant needs to move. Acceptable reasons for needing to move include:

- Applicant is homeless or victim of domestic violence
- Applicant needs to move due to non-renewal of current lease (no fault of applicant)
- Applicant needs to move due to eviction (no fault of applicant)
- Current unit not in compliance with minimum health & safety standards (no fault of applicant), Current unit is seriously overcrowded
- Relocation is more affordable
- Medical necessity

**Target Population-** Homeless families moving into subsidized or private housing and, families at risk of homelessness due to a significant reduction of income or increase in necessary household expenses.

**Subsidized Housing-** DHCD has defined subsidized housing as any property in which public funds are used to reduce the apartment rents. This includes:

- all public housing
- all units in privately owned housing developments that are receiving public funds, and the unit rents are based on household income
- all rental housing voucher programs
- refer to Section XIV re: restrictions on use of funds for subsidized households

### **III. RNP ALLOCATION OF FUNDS**

A. The RNP will submit an Administrative Plan to DHCD for review and approval. Notwithstanding the plan, the RNP must comply with all Administrative Guidelines and directives issued by DHCD.

B. Prior to the start of the FY09 program, DHCD will provide the RNP with an initial allocation of program funds under separate cover. The RNP may use up to 18% of its allocation for administrative expenses. The RNP is responsible for ensuring that it does not exceed the initial allocation, without DHCD approval.

#### **IV. MINIMUM ELIGIBILITY STANDARDS**

The RNP must determine that a household is an Eligible Family, is Homeless or At Risk of Homelessness, and that the household's income is at/below 50% of area median income.

#### **V. QUALIFICATION STANDARDS**

In addition to determining that the minimum eligibility standards have been met, the RNP must determine if a household meets the following two qualification standards:

##### **A. Financial Crisis**

A Household must demonstrate that there was a one-time, extraordinary event beyond their control that resulted in a significant reduction of income or increase in expenses.

The following are examples of a one-time extraordinary event that would be considered beyond the control of the household:

- Employment lay-off, mandatory reduction in hours/earnings, or forced relocation
- A necessary reduction in hours/earnings for medical reasons
- Death in the family that resulted in significant financial costs to the household
- Unplanned medical expenses not covered by insurance
- Victim of crime that resulted in theft of resources
- Property or vehicle accidents not covered by insurance
- Having to relocate due to non-renewal of a lease, unsafe housing conditions, severe overcrowding, or for medical or educational necessity
- Applicant is homeless and lacks a permanent place to live

##### **B. Housing Stabilization**

A household must demonstrate that new income has been secured or expenses reduced such that the household will be able to afford housing expenses going forward. Both thresholds must be met in order to be determined qualified for RAFT financial assistance. Demonstrating an unintentional financial crisis in and of itself is not sufficient. The household must also demonstrate that he/she will be able to afford their housing expenses and achieve housing stabilization.

#### **VI. DOCUMENTATION REQUIREMENTS**

Households will be required to provide certain information and documentation in order for the RNP to determine if the household meets the minimum eligibility and qualification standards. The following is a list of minimum documentation requirements:

##### **A. Homelessness Qualification**

Acceptable documentation would include a letter from a shelter provider or service provider agency that is willing to verify the household lacks permanent place to live. The RNP may verify homeless status directly with shelter/provider via telephone.

### **B. At Risk of Homelessness Qualification**

The RNP will determine if the household is at risk of homelessness based on the required documentation and any additional information provided by the household. The RNP must determine that the household had a significant reduction of income or increase in necessary household expenses, and that the household has secured new income or a change in circumstances that would lead to housing stabilization.

### **C. Identification**

1. Household must provide at least one form of identification. Acceptable identification includes a birth certificate, picture ID, driver's license, or Mass Health card.
2. Household must provide verification of the social security number of all family members. If the household does not have the social security card(s) available, the RNP may accept another form of written documentation that includes the social security number, i.e., pay stubs, public assistance award letter.

### **D. Housing Expenses**

1. Household must provide a copy of the lease/rent receipts, or mortgage (if applicable).
2. Household must provide copies of recent bills, if utilities are not included in rent.

### **E. Income**

1. Household must provide written documentation of all income for all family members at least 18 years of age. Acceptable documentation includes four consecutive pay statements or a letter from an employer for wage earners, monthly bank statements for assets, and an award letter from the administering agency if the applicant is receiving public assistance, i.e., TAFDC.
2. Documentation cannot be older than 60 days.

### **F. Financial Need**

The RNP will determine the amount and types of financial assistance needed based on information provided by the household. The RNP may require the following documentation or verification of information, depending on the specific circumstances.

- 1. Rent Arrearage-** Eviction notice or 14 day notice to quit, and copy of recent payment record (rent receipts or statement signed by property owner.

Households currently residing in subsidized housing and requesting assistance for a rent arrearage must also submit a completed At Risk of Homelessness Certification form.

- 2. Mortgage Arrearage-** Current mortgage statement, and letter from mortgage lender indicating that payments are at least thirty (30) days in arrears.

**3. Utility Arrearage or Heating Fuel-** Copies of recent bills and utility shut off notice. A household requesting assistance for utility expenses must also document that they have applied for or have an appointment to apply for fuel assistance benefits.

**4. Security Deposit, First/Last Month's Rent-** Copy of lease for new unit or letter from property owner stating amounts due upon lease-up. Household would need to provide additional documentation to qualify for RAFT funds for new leasing expenses (refer to definitions section).

**5. Employment Related Transportation Expenses-** Household must be employed and provide proof of ownership of vehicle and copy of bill from mechanic detailing work items and costs.

**6. Furnishings-** Household must currently be homeless and supply letter from shelter or service provider agency. RNP must determine that such expenses are necessary to ensure that homeless families moving from a shelter environment are able to obtain to their own apartment

**7. Monthly rental stipend-** Based on a review of household's income and expenses, the RNP will determine the amount needed for housing stabilization.

Households residing in subsidized housing cannot receive RAFT assistance in the form of a monthly stipend.

**G. Property Owner Documentation;** The household's landlord must provide:

1. Completed W-9 tax form
2. Proof of ownership (deed, most recent real estate tax bill, or current property insurance policy).
  - The RNP may also verify property ownership with a local municipal Assessor's Office or with the Registry of Deeds. If this option is used, the RNP must maintain a printed copy of such verification in the applicant file.
3. Property Owner Agreement to Participate

**VII. REASONS FOR A DETERMINATION OF NOT ELIGIBLE OR NOT QUALIFIED**

The RNP may determine a household does not meet the minimum eligibility or qualification standards for any of the following reasons:

**A. Incomplete Documentation;** household failed to provide all required supporting documentation.

**B. Over Income;** total household income exceeds program eligibility income limits.

**C. Not an Eligible Household;** household does not meet the program definition of eligible family household.

**D. No Extenuating Circumstances;** household did not demonstrate there was a one-time significant decrease in income or increase in necessary household expenses, which was beyond the control of the household.

**E. Participant Non Compliance;** the household previously received financial assistance but failed to comply with the terms of Participant Contract (failed to comply with rent and utility payment obligations, committed fraud, or did not follow-through with other referral services offered by RNP).

**F. Not At-Risk of Homelessness;** household did not demonstrate a lack of income to meet housing expenses.

**G. Property Owner not willing to Participate;** household's landlord refused to accept RAFT payments offered by RNP on behalf of the household.

**H. Above Lifetime Cap;** household has already received \$3,000 in RAFT assistance.

**I. Housing Not Sustainable;** household did not demonstrate that new income has been secured or necessary household expenses reduced such that the applicant will be able to afford housing expenses going forward.

**J. Non Compliance with RNP Requirements;** household refused to accept recommended services as a condition of approval, e.g. did not attend budgeting workshop, refused to apply for fuel assistance.

**K. No Funding;** The RNP does not have RAFT funds available.

## **VIII. REVIEW OF DENIAL OF ELIGIBILITY OR QUALIFICATION**

A. Households who are determined not eligible or not qualified after submission of an HCEC Request for Additional Household Information form, must be offered the opportunity to request an informal review of such determination. This includes households determined not qualified due to the fact they are paying more than 50% of income for their housing.

B. All reviews must be conducted by a supervisor who was not involved with the initial decision.

C. Households cannot appeal a denial of eligibility, which is due to a lack of funding.

## **IX. ELIGIBLE USE OF FUNDS AND RESTRICTIONS**

A. Financial assistance for program participants must be expended for housing related expenses, only. Families in need of supportive services should be referred to appropriate service provider agencies.

B. No cash assistance will be provided directly to the participant. The RNP will make payments to vendors (landlords, utility companies) on behalf of the participant.

C. The RNP must use its best efforts to negotiate the minimum amount of RAFT funds necessary to ensure housing stabilization.

D. The RNP may use RAFT funds for the following eligible uses:

**1. Rent Arrearages**

If deemed necessary by the RNP to ensure the participant will avoid an eviction.

**2. Mortgage Arrearages**

If deemed necessary by the RNP to ensure the participant will avoid foreclosure.

**3. Utility Arrearages and Heating Fuel**

RAFT funds can be used to pay for heating fuel and for utility, water, and sewer arrearages.

(a) Households that need assistance for utility expenses must also document that they have applied for or have an appointment to apply for fuel assistance benefits.

(b) The purchase of heating fuel (propane gas, oil delivery, wood) is an allowable utility expense if deemed necessary by the RNP to ensure the participant can maintain heat during the heating season, and the participant is not eligible for, or has exhausted all fuel assistance benefits.

(c) The payment of utility arrearages if deemed necessary by the RNP to ensure the participant can avoid a shut-off of service, or have service restored, in accordance with the following:

(1) RAFT funds can be only be used to pay for arrearages incurred on or after December 1, 2006.

(2) RAFT funds cannot be used for utility arrearage purposes during the heating season (November 15 through March 15), unless funds are needed to restore utility service that has already been shut-off.

(3) Households requesting financial assistance for a utility arrearage must provide the RNP with a copy of a shut-off notice (must be the 2<sup>nd</sup> or 3<sup>rd</sup> shut-off notice).

(4) If a household was previously approved for an arrearage management plan but the utility company notifies the RNP that the household has not made a good faith effort to make monthly payments, the household is not eligible for any additional funds for an arrearage.

(5) All regulated electric and gas companies are now required to offer Arrearage Management Plans to their customers. The RNP will use its best effort to negotiate with utility companies that so the use RAFT funds will qualify a household for a company's Arrearage Management Plan.

#### **4. Security Deposits and First/Last Months Rent**

(a) If deemed necessary by the RNP to ensure the participant can afford a necessary move or new lease-up.

(b) If applicant paid a security deposit for their previous unit, RAFT funds can only be approved for any increase to applicant (new security deposit minus existing security deposit).

#### **5. Employment related Transportation**

(a) If deemed necessary by the RNP to ensure an adult household member can continue employment.

(b) The maximum allowable amount is \$1,500.

#### **6. Furnishings**

If deemed necessary by the RNP to ensure that homeless families moving from a shelter environment are able to obtain to their own apartment. Only kitchen table/chairs, bedding, refrigerators, or stoves are allowable furnishing items.

#### **7. Monthly Rental Stipend**

(a) If deemed necessary by the RNP in order to assist the participant with housing costs on a temporary basis, so that the participant will be able to achieve housing stabilization after the stipend assistance expires.

(b) Total funds approved for monthly stipends cannot exceed six (6) months rent.

### **X. ELIGIBILITY OF FORMER PARTICIPANTS**

A. Households would need to demonstrate an entirely new, extraordinary, financial crisis.

B. Households would also need to demonstrate they have made every effort to pay their bills on time.

C. Households that previously received RAFT funds for a rent or utility arrearage but have not complied with the terms of any repayment agreement, without having a compelling justifiable cause, are not eligible for additional RAFT assistance.

D. Households that previously received RAFT funds for a security deposit are not eligible for additional security deposit assistance.

## **XI. ELIGIBILITY OF TRANSITIONAL HOUSING PROGRAM PARTICIPANTS**

A. Provided the household is otherwise eligible, the RNP may approve the use of RAFT funds to assist a transitional housing client to move to permanent housing.

B. RAFT funds cannot be used for a household moving into transitional housing.

## **XII. PRIORITY FOR DEPARTMENT OF TRANSITIONAL ASSISTANCE (DTA) HOMELESS SHELTER FAMILIES**

A. DTA shelter families can receive a priority for RAFT assistance under the following conditions:

1. The RNP will designate a staff person to serve as the contact person for such referrals. This information will be provided to the local DTA Office.

2. DTA will provide each RNP with a primary contact person(s) for such referrals. The primary DTA contact person could be a local office DTA employee, shelter provider or HAP provider.

3. The primary contact person will submit a completed DTA Homeless Shelter Priority form to the appropriate RNP contact person. Priorities will only be granted for referrals made by the primary DTA contact person (s).

4. Such referrals must meet all eligibility and qualification standards.

B. DHCD has established a minimum statewide goal of 150 such referrals. Each RNP will process such referrals as priorities throughout the fiscal year, unless a RNP has expended their entire allocation of funds.

## **XIII. REQUIRED PROGRAM DOCUMENTS**

The RNP must use all FY09 program forms provided by DHCD, including:

A. HCEC Request for Additional Household Information

-The RNP must date and time stamp all requests forms submitted.

B. Authorization for Release of Information/Fair Information Practices Act Statement  
Must be signed and dated by all household members who are at least 18 years of age.

C. At Risk of Homelessness Certification form

-must be completed by subsidized households receiving assistance for a rent arrearage.

D. Participant Contract

E. Property Owner Agreement to Participate (if applicable)

-This form must be used for all households requesting financial assistance for a rent arrearage, monthly rent stipend, security deposit, or first/last month's rent.

**F. Property Owner Contract (if applicable)**

-This form is required if a household receives financial assistance for a rent arrearage, first/last month's rent, security deposit, or rent stipend.

**XIV. VENDOR PAYMENTS**

Based on the RNP's determination of financial assistance needed by the program participant, the RNP will make direct payments to participating vendors (property owners, utility companies, etc.), on behalf of the program participant.

**XV. MAINTENANCE OF PARTICIPANT DOCUMENTATION**

A. The RNP is responsible for maintaining a file for all households that submit the HCEC Request for Additional Household Information.

B. All files must be maintained in a consistent and orderly manner. Any notations made on file documents must be signed and dated by the appropriate RNP employee.

C. Each approved participant file must contain the HCEC Request for Additional Household Information, Participant Contract, all supporting documentation pertaining to all eligibility criteria, documentation of income and housing costs, proof of financial need (overdue notice from utility company, property owner, etc.), documentation of vendor payments made on behalf of the participant, documentation of any referrals made by the RNP to other service and/or housing stabilization providers, tracking reports, and copies of all correspondence concerning the participant.

D. If the RNP approves RAFT assistance for a monthly stipend, rent arrearage, security deposit, or first/last month's rent, the participant file must also contain the Property Owner Agreement to Participate and the Property Owner Contract.

E. The RNP is responsible for ensuring that all program contract documents are signed and dated by the appropriate parties.

F. The RNP must maintain all files and records until further notice from DHCD.

**XVI. TRACKING OF PROGRAM PARTICIPANTS**

A. The RNP must use its best efforts to monitor program participants for a period of 12 months. The purpose of this tracking activity is to quantify the success rate of the program's ability to help participants maintain their housing situation and/or transition from homelessness to stable housing.

B. The RNP agrees to comply with any new and/or revised tracking and monitoring requirements pursuant to written notification by DHCD.

## **XVII. PROGRAM DATA BASE AND COMPUTER SOFTWARE**

- A. The RNP must use the DHCD approved computer software program to maintain the program data base and process financial assistance payments.
- B. The RNP must enter complete data for all applicants that have been denied for funding and all applicants that have been approved for funding.
- C. The RNP will use its best efforts to obtain any missing application information from applicants, for data entry and reporting purposes.
- D. The RNP is responsible for complying with all legal requirements pertaining to the use, maintenance, and dissemination of confidential information.

## **XVIII. ACCOUNTING AND FISCAL MANAGEMENT**

- A. The RNP is responsible for establishing a comprehensive financial management system and related internal controls to ensure that funds are spent in an efficient and effective manner.
- B. This includes but is not limited to, maintaining the accounting books and records according to generally accepted accounting principles and any other DHCD requirements, preparing annual operating statements and financial statements, cash management of income and expenses, including the distribution of funds made on behalf of each program participant.

## **XIX. GUIDELINE REVISIONS**

DHCD reserves the right to revise these guidelines. Revisions may be necessary in order to clarify existing guidelines or issue additional guidelines as a result of policy changes. Any revisions to the existing guidelines will be effective as of the date stated in the notification from DHCD to the RNP.