



## RRH Monthly FAQ: October 2018

**1. If we are not collecting the rent (the tenant is paying the landlord directly), do we need to list the client portion on the Client Detail Form for the SOE?**

- a. Yes. MDHHS is only reimbursing actual costs and need to know the amount of rent that is in the lease (for the amount but also for HUD compliance) and then we need to know the tenant's portion of the rent (if applicable) and then the amount that you are covering so that we can reimburse you. We reconcile this through monitoring when we review the client file in comparison to your submitted FSR. The client file should include their lease and rent calculation form (if applicable).

**2. Do we have to pay for client utilities?**

- a. No. However, it is an allowable expense and a great service to clients that need it. There are several things to consider:
  - i. The number of clients you are serving and the rental budget you have.
  - ii. If multiple clients' assistance is above the FMR, you may run out of funds.
  - iii. Some clients may need the utility assistance more than others; some clients may be unable to pay utilities.

**3. Can we pay utilities directly to the utility company?**

- a. Yes, if the client gives you permission in writing. However, that does cause some complications.
  - i. If the utility allowance is less than the utility bill, the tenant is still responsible for the remaining balance. You will need to help the tenant manage this so they don't fall behind in bills.
  - ii. If the utility allowance is more than the utility bill, there are 3 options for the tenant's preference:
    1. The agency pays the bill and gives the balance to the tenant.
    2. The agency pays the bill and the agency hangs on to the balance to apply to the next bill- this will need to be tracked and would account for fluctuating utility costs depending on the season. This must be tracked in program records.

3. See if the utility company can take the whole payment and use the balance as a credit toward the next bill.

**4. Can a single person live in a 2 bedroom unit?**

- a. Typically, no. However, it is allowable if:
  - i. The person has medical need for 2 bedrooms and you have documentation stating such from a medical provider.
  - ii. The rent with utilities is equal to or less than the HUD FMR for a 1 bedroom unit in that county.

**5. If the rent is higher than the FMR, can the tenant pay the difference?**

- a. Yes. However, if you complete a rent reasonableness form that shows that other units of the same size and similar amenities in the same county are similar in cost, then you can pay for the higher rent (if approved by MDHHS and only for rental grants). Do be mindful of your overall rental line item budget so that you won't run out of funds before the grant term ends.

**6. Are tenants required to pay a portion of the rent?**

- a. No, the MI Balance of State CoC and MDHHS do not require tenants of RRH grants to pay a portion of the rent. However, if your agency chooses to do so, you are able to as long as you are consistent with all tenants and the rental portion follows HUD CoC guidelines stated in the HUD CoC Interim Rule:
  - i. 24 CFR 578.77: Calculation of occupancy charges. Recipients and subrecipients are not required to impose occupancy charges on program participants as a condition of residing in the housing. However, if occupancy charges are imposed, they may not exceed the highest of: (1) 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child-care expenses); (2) 10 percent of the family's monthly income; or (3) If the family is receiving payments for welfare assistance from a public agency and a part of the payments (adjusted in accordance with the family's actual housing costs) is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated for housing costs. (Note that there is no minimum payment- if the tenant doesn't have any income, they cannot be charged rent).

**Commented [WM(1):** Do we want agencies to let us know if they plan to do this? Or will this be something we just check during monitoring. It's not clear here.

**7. Our agency covers 2 counties, with 3 units in each. Do we have to stick to 3 units in each county or can we serve 4 in one and 2 in another?**

- a. Yes. You have flexibility with your units. As long as you are serving clients in counties that fall within the BOS CoC, that is fine. If one of your counties has a greater need than the

other, serve the clients to best fit their needs. However, you cannot favor one county over the other, it needs to be that the client need calls for the flexibility in the units, not the agency.

**8. Does the RRP Renewal grant only serve singles?**

- a. No. Both RRP and RRH grants can served singles or families.

**9. Can we pay for cleaning fees for a unit?**

- a. If a landlord has the non-refundable cleaning fee, you can use MDHHS grant funds to cover the cost as part of the security deposit if it is required for moving in. However, payment for the security deposit plus the cleaning fee cannot exceed the amount of 1 ½ month's rent. If the cleaning fee is a cost for when the client moves out of the unit, it can be charged as a "damage" fee which cannot exceed one month's rent (including all other damages). Note that damages are a 1 time per lifetime of the grant per client expense.

**10. What do we do if our client doesn't want monthly case management?**

- a. HUD requires that at minimum, case management is provided monthly. However, clients are not required to participate in case management to receive assistance under the grant (services must be voluntary). You cannot exit a client for not participating in case management. Document your attempts at monthly case management for compliance purposes.

**11. What if the HQS inspection is not conducted annually?**

- a. HUD requires that HQS inspections be conducted every 365 days. The inspections are 365 days from the initial inspection, not a reinspection. If you are unable to conduct the annual HQS inspection for a unit within 365 days, you must document the reason, which may be that the client was unavailable. As long as there was cause for the delay and it was documented, you remain compliant with regulations.

**12. Who do we contact for HQS Inspection training?**

- a. Ann Mueller from MSHDA schedules and conducts HQS trainings. Contact her at [amueller@michigan.gov](mailto:amueller@michigan.gov) to be notified of the next training. MDHHS will also notify partner agencies when we receive notice of scheduled HQS trainings.

**13. If a client is pregnant but doesn't have any other children, do I complete the F-SPDAT?**

- a. Yes. Clients that are pregnant are considered a family.