



Supportive Housing Connection Policies and Procedures

Updated October 2016

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EXECUTIVE SUMMARY

As a disability services organization, the New Jersey Department of Human Services (NJDHS) provides supportive services to assist people with disabilities to live in their communities. In some cases, due to the lack of affordable housing accessible to people with disabilities, NJDHS provides funding for housing costs. In order to administer these housing funds in a cost-effective manner and to ensure increased access to high-quality housing for people with disabilities, NJDHS and the New Jersey Housing and Mortgage Finance Agency (NJHMFA) will collaborate on the design and operation of the Supportive Housing Connection (SHC), a centralized location for landlord outreach and training; administration of rental and other housing assistance; unit referrals and inspections; and resident inquiry resolution services to tenants receiving NJDHS rental subsidies.

The purposes of the SHC are as follows:

- A) To further provide an additional, structured State-level partnership linking permanent affordable housing options with flexible, community-based services and supports. Additionally, to help streamline State government systems in order to improve access to supportive housing units, as well as to present the opportunity to individuals with disabilities to live in high quality affordable rental housing alongside residents who do not have disabilities.
- B) To administer housing subsidies provided by NJDHS in a cost-effective manner, including income certification, inspection of units, management and payment of subsidies, recruitment of landlords and resident inquiry resolution.
- C) NJHMFA and NJDHS consider this proposed partnership to be sustainable and will utilize and expand their established relationships and cultivate new ones with housing developers, property owners, service providers and the housing resources referral system as a means to reduce costs while increasing the availability of affordable, accessible permanent supportive rental housing throughout the State for persons with disabilities.

Through the SHC, NJDHS and NJHMFA will collaborate to provide landlord outreach and training, rental subsidy administration, unit referrals, unit inspections and resident inquiry resolution services to tenants receiving NJDHS rental subsidies. NJDHS will determine eligibility and refer tenants to the SHC to administer their rental subsidies. The rental subsidy programs that the SHC will administer on behalf of NJDHS include Tenant Based, Project Based, and Sponsor Based assistance. The SHC will administer rental, furniture, utilities, sprinkler/fire suppression funds and security deposit payments for DHS tenants. The SHC will provide unit inspections before a tenant moves into a unit, annually, and on an as-needed basis in order to ensure that tenants live in safe and suitable housing. The SHC will provide resident inquiry resolution services as necessary to ensure that a tenant's housing remains safe and suitable for occupancy. Through the New Jersey Housing Resource Center (NJHRC), the SHC will provide tenants with information to assist with locating suitable housing units statewide.

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This Policies and Procedures document describes all of the functional tasks of the SHC and identifies the party responsible for each. It is intended to serve as a guide for all interested parties including but not limited to Social Service Providers; current and prospective landlords; NJDHS tenants, guardians and their families; advocates; and staff at both NJDHS and NJHMFA.

NJDHS has the right to waive requirements listed in this document, as necessary.

CHAPTER 1: INFORMATION FOR TENANTS

Communications with Tenant

All communications will be with the tenant and may include the tenant's guardian, advocate or the Social Service Provider. Tenants without email access may be asked to provide an email address for a backup contact person.

Contact Information for the SHC

You can reach the Supportive Housing Connection at:

Email: shc@njhmfa.state.nj.us

Phone: 1-844-216-6988

Fax: 609-278-8438

US Mail: NJ Housing and Mortgage Finance Agency

Attn: Supportive Housing Connection

P.O. Box 18550

Trenton, NJ 08650-2085

Household

A household is defined as the individual, spouse, registered domestic partner, and/or minor children under age 18 or 21+ if the child is a full time student. Parents must have full time physical custody of the child or children. Anyone else who is not a member of the NJDHS subsidized household and resides in the unit must pay their fair portion of the rent as per NJDHS policy. Any move in or move out must be reported to NJDHS, or the tenant is at risk of losing his or her subsidy.

Tenant Eligibility

NJDHS will make all decisions regarding tenant eligibility. Upon notification that a tenant is eligible for a rental Subsidy from NJDHS, the SHC will provide the tenant with a subsidy confirmation document and welcome package that explains that the tenant is eligible for subsidy through NJDHS and provides contact information for the SHC.

NJDHS Subsidy Program Rent Schedule

Rents charged to tenants may not exceed the NJDHS Subsidy Program Rent Schedule for the appropriate program as determined annually by NJDHS. The SHC will provide tenants with the NJDHS Subsidy Program Rent Schedule upon notification that the tenant is eligible for a rental subsidy from NJDHS

Tenant's Rental Subsidy Agreement

The Tenant's Rental Subsidy Agreement outlines the tenant's responsibilities as a recipient of a subsidy from NJDHS, explains what a tenant is agreeing to, as well as the potential consequences of their actions. The Tenant's Rental Subsidy Agreement will be sent out to tenants upon notification that the tenant is eligible for a rental subsidy from NJDHS. A signed copy of this Agreement must be returned to the SHC as soon as the subsidy has been awarded.

Housing Search Assistance

It is the prospective tenant's responsibility to locate housing with the assistance of their advocate or social service provider within 90 days of notification. If the tenant requests assistance finding a unit, the SHC will provide a listing of potential units from the New Jersey Housing Resource Center (NJHRC) at <http://www.nj.gov/njhrc/>.

If units are not available within the county where a tenant would like to reside, the SHC will contact Social Serve, the organization that manages the NJHRC, to see if units can be found. When Social Serve is able to locate new units, the SHC provides listing of such units to the tenant.

At the same time, the SHC provides the tenant with the Unit Identification Form. The tenant will be required to provide this form to HMFA once they have chosen a unit in order to let HMFA know how to contact the Landlord to schedule an inspection.

Personally Identifiable Information (PII) Policy

PII is defined by HUD as "information that can be used to distinguish or trace an individual's identity, such as name, and social security number, alone, or when combined with other personal and identifying information which is linked or linkable to a specific individual, such as date, place of birth, mother's maiden name, etc."

Purpose

The purpose of this policy is to establish the Personally Identifiable Information (PII) Policy for the SHC to ensure that the SHC has a secure and consistent approach to accessing and handling PII. This policy provides the requirements for protecting the privacy of people who have PII that resides on SHC databases or in electronic and paper files and/or any other type of media. It also lays out the basic handling expectations for all types of PII and covers contracted entities who gain access to SHC physical facilities, data or computer systems.

Scope

This policy applies to all personnel including employees, temporary workers, volunteers, contractors and those employed by contracted entities, and others tasked with the responsibility for implementing, supervising, monitoring and/or providing daily operational support for any program, project or activity requiring the access and usage of PII.

Definitions

Personally Identifiable Information (PII) is defined by HUD as “information that can be used to distinguish or trace an individual’s identity, such as name, and social security number, alone, or when combined with other personal and identifying information which is linked or linkable to a specific individual, such as date, place of birth, mother’s maiden name, etc.”

NIST Special Publication 800-122_“Guide to Protecting the Confidentiality of Personally Identifiable Information (PII)” defines PII as any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual’s identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

Sensitive Personally Identifiable Information (SPII) is information from which the identity of the person can be determined and which if lost or disclosed could cause harm to the individual. This includes but not limited to: drivers’ license numbers, Social Security numbers (SSNs), and biometric identifiers. Sensitive PII also includes the following when linked with the person’s name or other unique identifier, such as an address or phone number: full date of birth, portions of SSNs such as the last four digits, and financial account numbers.

The HIPAA Privacy Rule defines *Public Health Information (PHI)* as individually identifiable health information that is transmitted or maintained in any form or medium (electronic, oral, or paper) by a covered entity or its business associates, excluding certain educational and employment records.

Policy

It is a critical responsibility of SHC Personnel to protect and safeguard PII and sensitive information at all times. SHC Personnel shall follow this policy and should report any misuse or policy violations to their supervisor or Director of Information Technology. This internal policy specifies the following security policies for the protection of PII and other sensitive data:

1. Access to documents, files and electronic data containing PII must be limited to authorized individuals and individuals who require access to this data to perform their work duties.

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2. All requests for PII from unauthorized individuals, members of the public, the media, or other outside entities must be accompanied by a signed authorization form that must be signed by the applicant.
3. Interviews and meetings that involve the sharing or discussion of PII are to be held in a private space where conversations cannot be overheard. Any notes or minutes of such meetings must be stored securely unless it is verified that the documents do not contain PII.
4. PII should be discussed over the telephone only after confirming with the applicant that the right party has been contacted and informing that person that PII will be discussed. **Messages containing PII should never be left on voicemail.**
5. PII **must be encrypted** when transmitted by email or in any other electronic format (e.g., text messages).
6. Applicant/participant files may contain PII, thus the entire file should be protected in a secure and confidential manner that adheres to this policy.
7. Applicant files containing PII shall not be placed on shared network drives or intranets. Rather, it must be secured in a manner that restricts access to only authorized users.

To ensure the security of PII data, employees should adhere to the NJHMFA Security Awareness Guideline, which includes NEVER to remove PII from the workplace either intentionally or unintentionally, NOT to share computer passwords, ALWAYS lock workstation, laptop or mobile device when unattended and to only use authorized applications and programs and approved IT equipment to process PII information and data.

SHC shall discipline personnel for violations of this policy or any standards or guidelines referenced.

CHAPTER 2: LANDLORDS AND PROPERTY INSPECTIONS

Landlord Outreach Process

The SHC will recruit qualified landlords through Social Serve and the New Jersey Housing Resource Center (NJHRC), <http://www.nj.gov/njhrc/>. Social Serve will send periodic notices to potential landlords encouraging them to post their units on the NJHRC. The SHC will provide optional training to landlords via webinars.

SHC Addendum to Housing Assistance Payment (HAP) Contract

The landlord must sign the Housing Assistance Payment (HAP) Contract once prior to tenant move-in. The landlord must sign the Supportive Housing Connection (SHC) Addendum prior to tenant move-in and annually at the time of lease renewal for each tenant. The landlord must provide all housing services as agreed to in the HAP Contract and SHC Addendum to the HAP Contract. The provisions in the lease must comply with the Supportive Housing Connection Addendum and State and local law. The SHC will maintain required agreements with each landlord on all eligible units which contain tenants receiving NJDHS subsidies. The rent charged to tenants receiving NJDHS subsidies must comply with the NJDHS Subsidy Program Rent Schedule, and must not be different from rent charged to other tenants for similar units. The landlord must maintain the contract unit and premises in accordance with the HUD Housing Quality Standards (HQS).

Debarment checks will be run on all landlords participating in the program at lease-up.

Unit Sizes

Unit sizes will be determined by NJDHS in accordance with NJDHS policies. The landlord is responsible for ensuring that the number of occupants in a unit meets local codes.

Single Room Occupancy (SRO) units with shared kitchens are permitted in this program, provided that the unit contains its own bathroom. The rental cap for an SRO unit is 75% of the 0 bedroom Fair Market Rent. Any exceptions must be approved by DHS.

Property Inspections

Within 5 business days of the date the Inspection Specialist receives the completed Unit Identification Form, the Inspector will complete the unit inspection using the HQS Inspections Checklist.

If the unit passes inspection, the Inspector informs the landlord at inspection completion. The tenant and provider are notified within two business days.

Consumers refusing inspection or apartment visits shall be given the “Warning of Termination of Rental Subsidy” indicating that the subsidy is in jeopardy, and the SHC shall contact NJDHS for further instructions. Should a “Warning of Termination of Rental Subsidy” be sent, a copy of the “Warning of Termination” must be copied to NJDHS and the provider.

The SHC will conduct one inspection per year for group homes or units otherwise shared by more than one tenant receiving a subsidy from DHS.

Annual Re-Inspections

Annual inspections are performed in accordance with current HQS performance requirements and acceptability criteria. Ninety (90) to one hundred and twenty (120) days prior to lease expiration, the SHC contacts the tenant and landlord, and provider to determine if the tenant will be renewing the lease. If the tenant or landlord determines that the lease will not be renewed, the SHC asks the tenant if they would like an additional listing of units to view if the tenant has been approved by NJDHS to remain on a rental subsidy.

If the tenant and landlord determine that the lease will be renewed, the SHC provides the Tenant’s Information Form, NJDHS Subsidy Program Rent Schedule, Tenant’s Rental Subsidy Agreement, HAP Contract and SHC Addendum to the HAP Contract. The SHC schedules an appointment to inspect the unit within 90 to 120 days of lease expiration. The SHC logs the date of inspection and completes the unit inspection using the Inspections Checklist. Once the unit has passed inspection, the SHC notifies both the tenant and the landlord, and requests the executed lease.

These inspections are conducted to provide on-site verification that the owner is meeting his/her obligation for maintenance of the unit under contract and that he/she is providing the services and utilities as specified in the lease agreement. Annual inspections are performed in the same manner as initial inspections and the results are also recorded on the Inspection Form.

After a failed annual inspection based on an HQS violation, regardless of severity, the SHC will send the landlord a letter scheduling a re-inspection 30 days from the date of the failed inspection. If the re-inspection fails, the rental subsidy payment will be abated, effective the first day of the month following the fail date. The landlord may request a third inspection, but should keep in mind that the rent will continue to be abated until the unit passes inspection. If the unit does not pass due to tenant-caused damage, the rent will not be abated.

At the discretion of the SHC, the re-inspection requirement may be waived if proof of the repair of a minor deficiency is provided.

Inspections are completed at move-out if the landlord requests more funds than the amount of the security deposit. In addition, the SHC reserves the right to complete a move-out inspection if a landlord repeatedly retains the entire security deposit for NJDHS tenants. The SHC inspects the unit using the Inspections Checklist and pays particular attention to those items the landlord has

determined to be damaged. The SHC will document the conditions and determine if the costs are justifiable and valid.

Inspecting Units for Conformity to the HQS

The SHC adheres to the housing quality standards (HQS) performance requirements as specified in Title 24 of the Federal Code of Federal Regulations (CFR) here:

<http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/7420g10GUID.pdf>. Inspections take place prior to tenants signing a lease, annually, and as needed. In addition, all housing must meet the acceptability criteria, as well, except for the following variations:

1. Sanitary facilities. Hot water heaters must be free of hazardous conditions and equipped with a discharge line, which terminates within 12 inches of the floor. They will not be permitted to be located in bedrooms or other living areas. Gas and electric hot water heaters located in a secondary room (a room not used for living) will be permitted provided the unit is otherwise free of hazardous conditions. Gas and electric hot water heaters will be permitted in a kitchen or bathroom provided that "safety dividers" or "shields" are installed to protect the occupants from any contact with the unit.
2. Space and security. The New Jersey multiple dwelling regulations are used to define a bedroom or living/sleeping room of "appropriate size." N.J.A.C. 5:10-22.3 Floor Area, states that every room occupied or intended to be occupied for sleeping purposes for one occupant shall have a minimum usable floor area of 70 square feet. Every room occupied or intended to be occupied for sleeping purposes by more than one occupant shall have a useable floor area of at least 50 square feet for each occupant (two occupants require a minimum of 100 sq. ft.). To be considered a living/sleeping room, the smaller dimension of the room must not be less than seven feet; thus ensuring enough space to get past the bed.
3. Thermal environment. Adequate heat "appropriate for the climate" is not defined by the HQS. The SHC will comply with N.J.A.C. 5:10-14.4, Minimum Temperature, of the New Jersey multiple dwelling regulations which requires from October 1 of each year to the next succeeding May 1, every dwelling unit and every habitable room therein shall be maintained at a temperature of at least 68 degrees Fahrenheit between the hours of 6:00 A.M. and 11:00 P.M. and at least 65 degrees Fahrenheit between the hours of 11:00 P.M. and 6:00 A.M. A habitable room means a room or enclosed floor space within a dwelling unit used or designed to be used for living, sleeping, cooking, or eating purposes, excluding bathrooms, water closet compartments, laundries, pantries, foyers or unit corridors, closets, and storage spaces, according to N.J.A.C. 5:28-1.2.
4. Structure and materials. This section is concerned with the structure of the ceilings, walls, and floors, but is silent regarding a minimum ceiling height or usable floor area. The New Jersey multiple dwelling regulations will again be utilized to provide a standard. N.J.A.C. 5:10-22.5, Required Ceiling Height, requires a clear height of at least seven feet, zero

inches, for a room to be considered a habitable room. The ceiling height in a non-habitable room remains tenant preference.

5. Other interior/exterior hazards.

1. All windows required to be openable under the HQS requirements must operate as designed.
2. All windows required to be openable under the HQS requirements must also comply with N.J.A.C. 5:10 - 10.1, Screens, which requires insect screens from May 1 to October 1 of each year.
3. A ceiling or wall mounted light fixture in a bathroom must be operated by a wall switch.

6. Housing must meet all local codes.

7. Housing that must be licensed as per NJDHS policies must meet relevant licensing standards regarding physical setting (see N.J.A.C. 10:44A, Standards for Community Residences for Individuals with Developmental Disabilities; N.J.A.C. 10:190, Licensure Standards for Mental Health Programs; and N.J.A.C. 10:47A, Standards for Private Licensed Facilities for Persons with Developmental Disabilities).

8. Upon inspection, owners/landlords subject to inspections by the New Jersey Department of Community Affairs will be required to display or provide to the SHC the certificate from DCA confirming that the building is safe and suitable for occupancy.

Waivers to the HQS

Upon the demonstration of good cause, a landlord may submit a written request to the SHC for a waiver to the HQS. The documentation required to support the waiver must be provided by the landlord. Each waiver that is approved shall be maintained as part of the case file.

Resident Inquiry Resolution

The primary relationship is between the tenant and the landlord. If an issue arises that the tenant and landlord cannot resolve together, either entity or the Social Service Provider may contact the SHC for assistance by phone, email, or US mail.

Upon receipt of the tenant inquiry, the SHC will contact the entities involved within five business days. If the problem has been corrected, the tenant's file will be documented accordingly. If the problem has not been corrected, but corrective action is scheduled, the file is documented and the tenant is instructed to advise the SHC when corrected measures have been completed. If the problem has not been corrected and there is no indication that the owner has taken any action, the SHC will schedule and conduct a special inspection, as necessary.

Timely notice is given to the property owner with a reasonable deadline to correct any HQS violations. If not corrected by the deadline date, the SHC may suspend payment, terminate the SHC Addendum to the HAP Contract or reduce the amount of housing assistance.

Although a landlord/tenant dispute concerning the lease is not grounds for a complaint inspection (unless it results in a HQS violation), the program will offer its services as mediator for either the tenant or landlord. It is the policy of the program that New Jersey law, as summarized in the statement prepared pursuant to "The Truth in Renting Act," N.J.S.A. 46:8-43 et seq. represents the basis for resolving disputes of this nature.

Life Threatening Issues

If a tenant or Social Service Provider contacts the SHC with a potentially life threatening issue, the tenant or Social Service Provider is advised to contact the property owner immediately and, if appropriate, the public utility company, or the local police, fire or health department.

The SHC will notify NJDHS and schedule a special inspection with the tenant within 24 hours. If the special inspection indicates the problem has been resolved, the file is documented and no further action is necessary. A special inspection is not limited to the reported violation(s) and any other obvious HQS violations will be documented.

If the special inspection indicates the problem has not been resolved, the SHC will notify the property owner of the violation and suspend payment as of the date of inspection. If the substandard condition(s) are corrected, payments may resume.

Either of the proceeding procedures places ultimate responsibility for the correction of any HQS violation found during a complaint inspection with the Property Owner. If the absence of utility service is due exclusively to an act of nature, a 48-hour grace period is afforded the landlord.

CHAPTER 3: INCOME CALCULATION AND RENTAL SUBSIDY DETERMINATION PROCESS

Certifying and Recertifying Tenant Income

Once a tenant has been approved for a subsidy, the SHC will send the tenant the Tenant's Information Worksheet and Tenant Subsidy Agreement. The Tenant's Information Worksheet, along with all supporting income documentation, must be provided and approved by the SHC prior to tenant move-in. Tenants who report zero income are required to submit income documentation every six months and demonstrate that they are attempting to receive funding from other sources. If a tenant's income changes by \$100 or more per year, they are required to submit all documents for a recertification. Tenants must submit income documents and the Subsidy Calculation Form annually thirty days prior to the anniversary of their lease start date.

Once the SHC has received the Tenant's Information Worksheet and all supporting income documentation from the Social Service Provider, the SHC performs an income calculation.

If tenant has zero income (as reported by Social Service Provider) they pay zero toward the rent. All tenants with an annual income of zero are required to submit proof of their attempts to gain income/benefits every six months. Whenever the determination of the tenant's rent to the owner results in a housing assistance payment equal to zero, the SHC will notify NJDHS. The SHC emphasizes the obligation of the tenant to report all sources of income to the program.

The date on the documents used to determine initial program eligibility and initial total tenant payment must not be dated more than 60 days prior (for employment) to the issuance date of the subsidy. A 60-day validity period is and will remain applicable for annual reexaminations and interim reexaminations of tenant income and composition. For individuals on Social Security benefits of any kind, the annual Social Security award letter for the current year will suffice. Tenants must submit four current consecutive paystubs.

Regardless of the circumstances (annual or interim) that require a reexamination of income documents to be scheduled, a tenant's refusal to submit the requested income documents is sufficient reason to terminate their participation in the program.

Tenants must request approval from NJDHS to add any other person as an occupant of the assisted unit. It is an obligation of the tenant to notify NJDHS within 10 consecutive days if any household member no longer resides in the unit.

A reduction in tenant's rent to owner can take effect on the first of the month if the tenant adheres to the required subsidy renewal procedures and the documentation that is received meets program standards. If the tenant's rent to owner is increased, the change will become effective on the first of the month, but the tenant must be given a minimum of 30 days advance written notice of the increase. The total amount of rent to owner will not change.

Pursuant to program regulations, a participant may, at any time, request an interim reexamination of tenant income or composition because of any changes since the last determination by the program.

Definition of Annual Income

1. Annual income means all amounts which:
 - a. Go to, or on behalf of, the tenant, spouse (even if temporarily absent), or any other child over the age of 18 who is not enrolled in school.
 - b. Annual income also means amounts derived (during the 12-month period) from assets to which a tenant has access.

2. Annual income includes, but is not limited to:
 - a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
 - b. Interest, dividends, and other income of any kind from real or personal property. Any withdrawal of cash or assets from an investment will be included in income. Where the tenant has net assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net assets or 0.06 percent of the value of such assets;
 - c. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in the Income Exclusions section), Social Security Disability benefits provided to the subsidy recipient or their children;
 - d. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph 3 of Income Exclusions);
 - e. Welfare Assistance.
 - f. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; or
 - g. All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph 7 of Income Exclusions).
 - h. Income from adult children over 18 who are not enrolled in school.

Income Exclusions

Annual income does not include the following:

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1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
3. Amounts received by the tenant that are specifically for, or in reimbursement of, the cost of medical expenses for any tenant member;
4. Income of a live-in aide, as defined in Section 5.403;
5. The full amount of student financial assistance paid directly to the student or to the educational institution;
6. The special pay to a tenant member serving in the Armed Forces who is exposed to hostile fire;
7. For any lump sum payments, contact the Supportive Housing Connection;
8. Amounts specifically **excluded** by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609 (c) apply:
 - a. The value of the allotment provided to an eligible tenant under the Food Stamp Act; and
 - b. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.

Income of Confined Household Members

If the tenant is hospitalized, the SHC will continue to pay the rental subsidy portion of the rent directly to the landlord for a period of up to 6 months. If a tenant is incarcerated, the SHC will continue to pay the rental subsidy portion of the rent directly to the landlord for a period of up to 90 days. NJDHS must approve the initial term and any extensions thereafter. If the income of the tenant changes during hospitalization or rehabilitation, the tenant must submit a subsidy application with the revised income amount included. If the income changes to zero during this period, the subsidy amount will be calculated at the full amount of the rent.

Alimony and Child Support

Count amounts awarded as part of a divorce or separation agreement unless the program verifies that the income is not provided. If the tenant is not receiving the full amount, the tenant should have made a reasonable effort to collect amounts due including filing with courts or agencies responsible for enforcing payment. Proof of filing with courts or responsible agencies must be supplied with the subsidy application form.

If a tenant has received alimony and child support on a regular basis, the amounts can be counted towards income. The calculation will be performed by utilizing the last year of payments, assuming the amount has not changed. If the amount has changed, utilize the new amount.

Net Family Assets

In cases where the tenant has net assets in excess of \$5,000 these assets must be reported to the SHC and annual income shall include the greater of the actual income derived from all net assets or 0.06 percent of the value of such assets.

Assets include:

1. Current balance in savings accounts and the average balance for the last six months in checking accounts.
2. Stocks, bonds, and other forms of capital investment.
3. The cash value of trusts that are available to the tenant and/or spouse..
4. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.
5. Lump-sum receipts such as inheritances, insurance payments, capital gains and settlement for personal or property losses.

Assets do not include:

1. Necessary items of personal property such as furniture and automobiles.
2. Interest in Indian trust land.
3. The value of a trust fund where the trust is not revocable by, or under the control of, any member of the tenant's household.
4. Assets that are part of an active business or farming operation.
5. Assets not accessible to the tenant and which provide no income to the tenant.

Joint Ownership

Assets that, although owned by more than one person, allow unrestricted access by the applicant or participant are counted in full.

Acceptable Forms of Income

1. Employment Income: Four (4) current consecutive paystubs that show the employer's name, gross pay per pay period and the dates of payment. If a new tenant is coming into the system, and does not have four (4) paystubs because a new position has recently begun, the SHC must receive documentation in writing as to the start date of employment, and all available paystubs to date. The SHC will calculate income based on the number of paystubs received. The tenant will be responsible for providing all four (4) paystubs when they are available, and at such time as they are received, the SHC shall conduct an interim certification at that time to update the tenant's income.
2. Social Security and Supplemental Security Income (SSI):

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- a. An award or benefit notification letter from the Social Security Administration.
 - b. A computer print-out from the Social Security Administration.
 - c. Awards made to the tenant's children will be counted towards the tenant's income.
3. Welfare Assistance:
- a. An award or benefit notification letter from the welfare agency.
 - b. A signed and dated letter on the agency's letterhead specifying the gross monthly benefit amount.
4. Pensions:
- a. An award or benefit notification letter that verifies the payment schedule and the gross benefit amount.
 - b. A pension check-stub showing the monthly gross benefit amount.
5. Alimony or Child Support:
- a. A computer print-out from the agency that monitors payment.
 - b. The separation or settlement agreement or a divorce decree stating the amount of payment, the type of support, and the payment schedule that has been signed within the previous 12 month period.
 - c. A notarized letter from the person paying the support identifying the amount of payment, the type of support, and the payment schedule.
 - d. If child support is not processed through probation, a notarized certification by the tenant of the amount being received, the payment schedule and the name and address of the payer.
6. Unemployment Benefits: An award or benefit notification letter from the unemployment agency showing the weekly benefit rate.
7. Disability or Worker's Compensation: An award or benefit notification letter from the provider that verifies the payment schedule and the gross benefit amount.
8. Tenant With No Income:
- a. The tenant certifies that the tenant is receiving no income.
 - b. Every six months, until a stable source of income is verified, the tenant must provide proof that he or she has applied for all benefits to which they may be entitled. This proof must be provided to the SHC.

Computing Annual Income and Determining Rental Subsidy Amounts

Annual income is the gross amount of income anticipated to be received by the tenant during the 12 months following the effective date of the certification or reexamination. The rules are structured so that the definition of annual income includes income from all sources except those specifically excluded.

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Use current circumstances to anticipate income, unless verification forms indicate an imminent change.

Annualize all income, including income that may not last the full 12 months (such as unemployment benefits). When circumstances change, an interim reexamination may be processed.

Convert earned income to annual income as follows:

- Multiply average weekly wage by 52.
- Multiply average bi-weekly wage by 26.
- Multiply average semi-monthly wage by 24.
- Multiply average monthly wage by 12.

To determine how to calculate the income related to child support, use the annual amount from the previous year. If these amounts change, use the updated amounts.

All income documents must be dated and current. A document used to determine initial program eligibility must not be dated more than 60 days prior to the issuance date of the subsidy (with the exception of an annual Social Security award letter, the separation or settlement agreement, or a divorce decree). A document that is used for a subsidy renewal must not be dated more than 60 days prior to the anniversary date of the lease.

When calculating income, deduct \$400 allowance from the gross income for each subsidy. For tenants who pay all or partial utilities, a \$70 utility allowance is deducted.

Once a tenant's income has been determined, the SHC will calculate the tenant's contribution towards rent based on the Tenant's Information Worksheet. Tenants pay 30% of their adjusted gross income towards rent for those receiving Project-Based Rental Subsidies, and 40% of their adjusted gross income towards rent for those receiving Tenant-Based Rental Subsidies.

In all cases, the SHC will notify the tenant and landlord of the tenant's and subsidy's contribution to rent.

Examples:

1. If a tenant has a job, take the average of the tenant's 4 most recent pay stubs, and project the amount for the year.
2. If a tenant is sharing an apartment with a roommate, divide the rent in half. The tenant is responsible for only half of the rent. Collect income documents only from the tenant.
3. If the tenant is sharing a house with 3 other subsidy recipients, divide the rent by 4, and calculate each tenant's subsidy separately.

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4. If the tenant has 3 children and is living with a significant other to which he or she is not married, the significant other must pay 1/5 of the rent. Apply 4/5 of the rent to the tenant, and calculate the contribution amounts based on the tenant's portion of the rent.
5. If the tenant is married, collect income documents from both the tenant and his or her spouse.
6. If the tenant has an adult child over the age of 18 who is not in school, divide the rent in half. The adult child is responsible for half of the rent. Collect income documents for the tenant only, and calculate his or her income based on only half of the rent.
7. If the tenant has a child under the age of 18 who has income, do not count that income.
8. If the tenant has an adult child over the age of 18 who is in school, that child can be considered a dependent.

Utility Allowances

In the event that a tenant pays any utilities out of their pocket, a \$70 utility allowance is deducted from the tenant's contribution to rent. Utilities include gas, electric, sewer and water. Cable, internet, and phone services are not considered utilities.

If a tenant is charged a fee for an air conditioner for the months it is installed in their unit, and the tenant is not already paying a utility allowance, the SHC shall apply the utility allowance for the time period beginning May 1st and ending September 30th.

9. CHAPTER 4: PAYMENT PROCESS AND ADJUSTMENTS

Payment Process

The SHC will pay for the following items as determined by NJDHS:

1. **Security Deposit:** The SHC will pay the security deposit, when indicated by NJDHS, directly to the landlord prior to tenant move-in.
2. **Rental Subsidy:** Rental payments will be made on a monthly basis to landlords. All documents must be submitted to the SHC and approved before a rental subsidy payment can be made. If a landlord has a rescission requirement, the SHC can pay the first month's rent on a delay.
3. **Furniture Payments:** Tenants may be eligible for a stipend for furniture purchases, as determined by NJDHS. The stipend will be paid to the social service provider up front. Items eligible for reimbursement must meet NJDHS policies for such purchases. The social service provider must submit receipts from furniture purchases within 30 days of purchase to the SHC.
4. **Utility Turn-On Funds.** At the direction of NJDHS and in accordance with NJDHS policies and with the Policies and Procedures, the SHC may pay a turn-on fee for utilities that are separately metered in units in which NJDHS tenants have an executed lease. All requests for this assistance must be approved by NJDHS.
5. **Sprinkler/Fire Suppression Funds:** When directed by NJDHS, the SHC may pay landlords for the cost of installation of sprinklers/fire suppression systems for housing where NJDHS-DDD licensed programs will be located, in accordance with NJDHS policies and with the Policies and Procedures. All requests for this assistance must be approved by NJDHS.

Utilities

Utility payments are made by the tenant directly to the appropriate utility company unless provided for under terms of the lease. If the tenant pays for any portion of the utilities, a \$70 Utility Allowance will be applied on the Rental Subsidy Application form. If all utilities are included in the rent, a \$0 Utility Allowance will be calculated.

Adjusting Contract Rents

Rent increases may be requested only at the annual anniversary of the lease by submitting a written rent increase request. A landlord must contact the SHC for the appropriate form which must be submitted at least 60 days in advance of the lease anniversary date in order for the new rent to become effective on the anniversary date. Requests that do not meet the 60 day advance

deadline will not be made effective until 60 days after receipt. Please note that subsidy increases are at NJDHS' sole discretion, based upon annual appropriations, and that rents always must stay within NJ DHS' rent schedules.

Payment Process for Incarcerated or Hospitalized Tenants

If the tenant is hospitalized, the SHC will continue to pay the rental subsidy portion of the rent directly to the landlord for a period of up to 6 months. If a tenant is incarcerated, the SHC will continue to pay the rental subsidy portion of the rent directly to the landlord for a period of up to 90 days. NJDHS must approve the initial term and any extensions thereafter.

CHAPTER 5: TENANT MOVE-OUT PROCESS AND SUBSIDY TERMINATION OR SUSPENSION PROCESS

Tenant Move-out Process and Evictions

It is the tenant's responsibility to notify the SHC if they intend to vacate a unit. If a landlord sees that a tenant receiving a subsidy from NJDHS has vacated a unit, or stopped paying their portion of the rent, he or she must notify the SHC immediately. The SHC will contact NJDHS to determine if the tenant will be returning to the unit, or what the status is of the tenant. If the tenant will be returning to the unit, the SHC will continue to pay the rental subsidy. If the tenant will not be returning to the unit, the landlord submits the security deposit to HMFA within 30 days.

The Social Service Provider and the SHC shall intervene to avoid evictions of subsidy recipients whenever possible. An eviction may cause the tenant to forfeit their NJDHS rental subsidy. If a tenant is being evicted, the SHC shall call NJDHS to discuss the case and receive further instructions. On a case-by-case basis, a decision may be made to allow the consumer to use the subsidy in another apartment.

Tenant Move-in to Unauthorized Unit

This policy has been created to address situations where program participants move out of their housing unit without required notice and occupy housing that has not passed the housing quality standards and is, therefore, not eligible for assistance payments through the SHC. In such cases, the tenant is responsible for the full amount of the rent.

A participant's failure to provide proper notice to their landlord and the SHC before vacating an assisted unit will result in the delay, denial, or termination of housing assistance to the tenant. A participant planning to relocate should be financially prepared for an interruption in the housing assistance payments made on their behalf. The tenant may have to assume full responsibility for all of their housing costs until the new unit, which they have selected, complies with all program requirements. The SHC will make every reasonable effort to complete the required HQS inspection(s), confirm that the rent is reasonable and conduct negotiations with the new landlord in a timely manner. The tenant, however, must be prepared to assume the entire cost of their housing, without reimbursement from the program, until all of these mandated requirements have been satisfied.

It is the policy of the SHC not to overlap the last housing assistance payment for the month when the tenant moves out of the old unit and the first housing assistance payment for the new unit. Exceptions to this policy will be considered on a case-by-case basis if there is evidence that one of the following conditions are present: domestic violence; serious housing quality standards violations; serious health and safety violations; or catastrophes such as fire, flood or other acts of nature. Overlapping housing assistance payments are approved by NJDHS if the housing meets the federal housing quality standards at the time the tenant occupies the housing. This requires

that the tenant give sufficient notice to the program so that an inspection can be completed prior to occupancy by the tenant.

When a tenant has taken occupancy of a unit before the SHC has approved the unit and the SHC is not able to approve the tenancy, the tenant is responsible for payment of the rent in full.

Subsidy Termination

When notified by NJDHS, the SHC will send out a warning of subsidy termination letter. When notified by NJDHS, the SHC will send a termination of subsidy letter. When the SHC sends the termination letter, the landlord and provider should receive a copy. DHS should receive a copy of both the warning of termination and termination letter.

The SHC may send Warning of Termination letters in the event that a tenant does not submit documents for recertification. If the tenant does not respond within 14 days, the SHC may send a Termination of Subsidy letter. If the tenant does not respond within 30 days, the SHC should terminate the tenant.

When a “Termination of Rental Subsidy Letter” is sent, the SHC must allow 30 days between termination letter and the date of termination. A copy of the Termination Letter will be sent to NJDHS.

Sponsor and Project Based Subsidies stay with the agency, and if the consumer leaves the program or unit for any reason, they will be automatically removed from the subsidy program.

Suspension of Subsidy Payments

The terms of the HAP Contract and SHC Addendum to the HAP Contract permit the SHC to reduce or terminate the contract when a property owner fails to maintain and operate the contract unit and related facilities to provide decent, safe and sanitary housing. These procedures outline the requirements to suspend payments or terminate a contract because an assisted unit fails an annual inspection or a special inspection. A HAP Contract and SHC Addendum to the HAP Contract may be suspended for a maximum of 180 days. The HAP Contract and SHC Addendum to the HAP Contract terminate automatically 180 calendar days after the last subsidy payment to the landlord (see 24 CFR 982.455).

Annual Inspections

- a. The owner is notified in writing of the HQS violations and the deadline to correct the violations.
- b. The unit is re-inspected within five business days of the established deadline.
- c. The rent to owner may be adjusted when the unit is in compliance with the HQS.
- d. The SHC may provide the landlord with an extension of the deadline based upon the nature of the work, to allow for the late delivery of supplies, difficulty in scheduling contractors, inclement weather, or other valid reason.

- e. If the violations have not been abated by the deadline, or within the extension period, the SHC must suspend housing assistance payments. All other required forms and verifications required for a scheduled reexamination are also transmitted at this time. The landlord may not charge the tenant the amount of subsidy payment that has been suspended.
- f. If the violations are corrected, housing assistance payments may resume. Housing assistance payments will not be made for the period the unit was not in compliance with the HQS. The anniversary date of the HAP Contract and SHC Addendum to the HAP Contract are not affected by this action.
- g. If the necessary repairs are not made by the deadline, the HAP Contract and SHC Addendum to the HAP Contract is terminated and a new subsidy is issued to the tenant.

Special Inspections

- a. A special inspection is scheduled within five business days of the tenant's complaint, or a special inspection may be scheduled to comply with the requirement for quality control of inspections.
- b. The owner is notified in writing of the violations and the deadline to correct the violations.
- c. The unit is re-inspected within five business days of the established deadline.
- d. If the violations have not been corrected by the deadline, or within the extension period, the program representative must suspend housing assistance payments.
- e. Housing assistance payments may resume when the HQS violations have been corrected.
- f. If the participant notifies the program that the tenant wants to relocate, or if the tenant is required to move because of overcrowding, a new subsidy is issued as soon as possible, unless the program has grounds to deny assistance.
- g. The tenant must give the property owner proper notice in accordance with the lease.
- h. However, a tenant may give a shorter notice than the lease provides if circumstances warrant, for example: lack of heat, contaminated water, etc.
- i. Only a court of law can authorize a landlord to retain all or part of a tenant's security deposit when the tenant objects.