



**HWS** HOUSING AND  
WORKFORCE  
SOLUTIONS  
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# Master Leasing

## Multidisciplinary Approaches to End Homelessness

A Continuum of Care Division Webinar Series

Please sign in by typing your full name, title, and organization into the webinar chat box.



# About the Webinar Series

## **PURPOSE**

These Webinars provide an opportunity to engage with local and regional experts on best practices, advocacy tools and resources available to prevent and end homelessness.

## **RECORDED WEBINARS**

After the live webinar has taken place, the recording will be added to our website.

## **UPCOMING WEBINARS**

We are working on securing speakers for future webinars and would love to feature you or your agency.

Email [CoC@rivco.org](mailto:CoC@rivco.org) if interested.

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# Today's Agenda

10:00 - 10:10 AM	Welcome	HWS - Continuum of Care Staff: Melanie Wilson	
10:10 - 10:50 AM	Jewish Family Services of San Diego)	Becky Ruiz Director of Supportive Housing Programs	Erica Gonzalez Program Manager
10:50 - 11:00 AM	Q&A: Please type your questions in the chat box. We will answer as many questions as possible at the end of the webinar.		

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# Jewish Family of Service of San Diego (JFS)

A Community Resource Since 1918

## Master Leasing

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# Presentation Outline



- 1: What is PSH – HUD Eligible Costs
- 2: Leasing vs Rental Assistance
- 3: Overview of Eligible Expenses
- 4: Housing Retention Program
- 5: Benefits of Master Leasing
- 6: Challenges and Lessons Learned



# What is Permanent Supportive Housing?



A cost-effective combination of permanent, affordable housing with services that help people live more stable, productive lives.

# Program Design



- A CoC funded Permanent Supportive Housing project can either be a Leasing or Rental Assistance Program.
- Leasing and Rental Assistance have been eligible costs under HUD's Homeless Assistance Act Programs for a while.
- The decision to operate a Leasing or Rental Assistance PSH project needs to be made at the time of program design and application.

# HUD Eligible Costs

## Leasing Project

- Eligible Costs
  - Leasing
  - Supportive Services
  - Operations
  - HMIS
  - Administrative

## Rental Assistance Project

- Eligible Costs
  - Rental Assistance
  - Supportive Services
  - HMIS
  - Administrative



# Use of Funds

## Leasing

- Agency may use leasing dollars to lease structures or portions of structures to provide housing or supportive services to program participants.

## Rental Assistance

- Agency may use rental assistance dollars to rent units to for housing for program participants.

# Fair Market Rent / Rent Reasonableness

Leasing dollars spent on client rent must not exceed HUD Fair Market Rent (FMR) for the current fiscal year.

**\*\*This does not prevent the agency from paying any rent dollars that exceed FMR out of a different source of funding.**

Agency must also complete a Rent Reasonableness Certification. This requires that we search for 3 comparable units that are available at the time of the lease signing that demonstrate the cost is reasonable.

These certifications must be completed prior to renting a unit and annually if we maintain the lease more than 12 months.

# Rental Agreements

## Leasing

- In a Leasing project, the agency must be the tenant with the landlord and have a sublease or occupancy agreement with the program participant.
- Agency pays the security deposit and monthly rent in full directly to the landlord.

## Rental Assistance

- Agencies receiving funds for rental assistance must have a written agreement with the landlord governing the payment of rental assistance.
- The program participant must pay their portion of the rent directly to the landlord.

# Occupancy Agreements

- Agency maintains a master lease for each of the leased client units.
- Clients are provided with an Occupancy Agreement that is between them and the agency. Clients do not have a contract with the landlord.
- Each client pays 30% of their adjusted gross income for rent. Income is not a requirement for entry into the programs. If a client has \$0 income, their occupancy agreement would state \$0 rent.
- Client rent is considered “Program Income” and must be put back into the project and spent on eligible expenses.

# Monthly Rent Payments

## Leasing

- In a Leasing project, the agency must follow the terms of the lease agreement signed with the landlord, which may require paying for a space even when it is vacant.
- Leasing dollars will be reimbursed to the agency for the month the unit was vacated plus an additional 30 days.
- This allows the program to maintain an inventory of housing ready for move-in.

## Rental Assistance

- Rental assistance payments to the landlord are based on the difference between the total rent and the amount paid by the program participant.
- The agency can never cover the cost of the program participant's rent if the program participant fails to pay his or her portion.

# Match Requirements

## Leasing

- Leasing funds are excluded from the match calculation.
- This means that leasing dollars do not require a match.
- Please note that the operations budget does require a 25% match.

## Rental Assistance

- Agencies receiving funds for rental assistance must include this amount in match calculation for the grant.
- Rental Assistance programs do not have an operations budget.



# Eligible Expenses - Leasing

In addition to leasing client units, and space to offer supportive services, a project may allocate staff time to the leasing budget.

These are the eligible activities under Leasing to bill staff time.

- Receiving new participants into the program.
- Providing housing information and search assistance.
- Determining participant income and rent contributions.
- Inspecting units for compliance with Housing Quality Standards.
- Processing rental payments to landlords.

# Eligible Expenses - Operations Budget

HUD permits an Operations budget in a Leasing project. Eligible expenses include:

- The costs of maintenance and repair of housing not included in the lease.
- Property taxes and insurance.
- Scheduled payments to a reserve fund for the future replacement of major buildings systems. Major building systems include structural support, roofing, cladding, weatherproofing, plumbing, electrical, heating, ventilation, and air conditioning.
- Security for a housing program if more than 50 percent of the units or building area are CoC-funded.

# Operations Budget (con't)

- Utilities including electricity, gas, heating oil or other heating/cooling costs, water, sewer, and trash removal.
- Furniture (office/apartment) that remains with the project. Mattresses are also eligible costs, even if they remain with the program participant.
- Equipment, including office equipment, appliances such as microwaves, refrigerators, stoves, washers and dryers, etc. that remain with the project.
- Staff time spent carrying out the above eligible operating activities that are part of the approved grant.

JFS acts  
as the  
landlord  
to our  
clients.



There is a  
functional  
separation  
of housing  
and  
supportive  
services.



We have separate  
staff providing these  
services. The  
housing staff  
advocate for  
compliance to the  
terms of the lease.  
Lease violations are  
documented by  
Housing staff.



Supportive Service  
staff advocate for  
their clients to assist  
in maintaining  
housing. Lease  
violation counseling  
and action plans are  
developed to support  
clients to comply with  
the terms of their  
lease.

# Tenant Education

JFS prioritizes tenant education. As the acting “landlord,” we have the opportunity to offer additional client education which includes some of the following:

- Good Neighbor Agreement – Simplifies tenant responsibilities for Occupancy Agreement.
- Good Neighbor Class – Supplemental class offered to all clients
- Additional training materials may include:
  - What Does my Lease Say?
  - Housing Stability Plan
  - Housing Crisis Support Plan
  - Reasonable Accommodation / Modification

# Entering a Client's Unit

- Except in emergency situations, staff are not permitted to enter a client's unit without first providing an Intent To Enter.
- An Intent To Enter is a written notification that a landlord and/or staff will be entering an apartment.
- It must provide at least 24 hours of notice prior to the date of entry, and it must be in writing.
- It must be for the purposes of a scheduled inspection, work order, furniture delivery, etc.
- A Landlord and/or Maintenance staff are permitted to enter a unit with advanced warning even if the tenant is not home. Staff may use a key to gain entry to the unit.





# Lease Violations

JFS is the landlord for all clients.

- All violations must be addressed by JFS.
- This may be done:
  - Verbally
  - Written warning of non-compliance
  - 3-Day Notice of Non-Payment of Rent
  - 3-Day Notice to Perform Covenant



# Notices to Clients

- When a client violates their lease, they are provided with a Notice of Non-Compliance or a Notice to Perform Covenant for repeated violations.
- These documents must include this information:
  - What the occupancy agreement states
  - What the violation was
  - How they can comply with the occupancy agreement moving forward within 3 days
- Operations Staff deliver Notices to clients as necessary.

# Lease Violation Counseling



Supportive service staff provide support to clients if/when a lease violation occurs.

All lease violations require lease violation counseling forms.

## Lease Violation Counseling Record

Tenant Name: \_\_\_\_\_ Date: \_\_\_\_\_

Tenant Address: \_\_\_\_\_  
\_\_\_\_\_

Lease Violation Date: \_\_\_\_\_

Lease Violation Description: \_\_\_\_\_

Staff Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tenant Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ (Tenant Initial) I have discussed the lease violation with staff. I understand what I need to do to maintain compliance with my Occupancy Agreement.

Tenant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Staff Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# Housing Retention Program

The JFS Housing Retention Program offers supplemental supportive services to our clients that have tenancy issues putting their housing in jeopardy. Our goal is to keep clients stably housed and prevent evictions. Guidelines for the program include:

- Fair Housing laws
- Contract requirements
- Program guidelines
- Tenancy rights



# Housing Retention Team Purpose

The Housing Retention Team meets on a weekly basis to discuss all clients who have been referred to the Housing Retention Program. The team will work together to strategize what additional supportive services clients may need to maintain their housing. Possible strategies may include:

- Contacting the property management company to advocate on behalf of the client
- Recommending client relocation (may not always be possible)
- Assigning a new staff member to work with client
- Providing additional tenant education
- Behavior modification techniques





# Roles Defined

It is important that the Housing Retention Team understand and respect the roles and responsibilities of each staff involved.



## Housing Staff are responsible for:

- Physical maintenance of the property
- Safety and security of the property
- Maintaining good partnerships with property management companies
- Ensuring all lease documents remain current



# Housing Retention Meeting(s)

Part of Housing Retention is to schedule formal meetings with clients.

- Our goal is always to support our clients in maintaining their housing through compliance with the terms of their lease.
- The team will collectively brainstorm possible strategies to promote compliance.
- Each meeting will be different, but the tone of all housing retention meetings should be one of respect, open dialogue, and with the goal of resolution.

# Benefits of Master Leasing

- Ability to assist in a housing crisis with:
  - Relocation
  - Payment Plans
  - Tenant Education
- Additional Individualized Supports:
  - Transportation assistance to purchase money order
  - Budget assistance
  - Monthly reminders
  - New Ideas & Approaches



# Benefits of Master Leasing (con't)

- Eviction history and/or poor credit is not a barrier.
- Clients are not screened by property management.
- Ability to pay for some minor repairs that are beyond normal wear and tear.
- Ability to have maintenance staff available for minor repairs and to assist with client relocations.
- Ability to have maintenance staff perform regular HQS inspections.
- Ability to pay for tenant utilities, renter's insurance, and appliances.

# Challenges

- Convincing landlords to allow the agency to place tenants without screening or prior approval.
- Liability on the agency for tenant lease violations, utility usage, and damages.
- Staff must have the “Whatever-it-takes” attitude toward helping clients stay in their housing. This is very challenging for staff when clients continue to violate their lease.
- Securing alternative housing when clients violate their current lease.
- Clients can accept or refuse treatment and or other services, but staff must continue to offer support and use flexible engagement strategies.
- Lack of resources to meet the needs of our clients.

# Lessons Learned

- What works for one client may not work for another.
- It may take multiple housing interventions for a client to achieve housing stability.
- The greatest success may not be what you expect. Client goals may not reflect what staff think is best for the client and that is okay.
- There is always a new and different way to approach a situation.





# Final Questions?





# Questions & Comments

Next Webinar:  
November 17th