

## **Exhibit 12-3**

### **Sponsor Based Rental Assistance – Forget-Me-Not Manor**

Authority for this activity is contained in AHFC’s Moving to Work Agreement with the U.S. Department of Housing and Urban Development through Attachment D, which provides for “broader uses of funds.” Establishment of a sponsor-based rental assistance program was proposed through Moving to Work Activity 2018-1 and approved by the AHFC Board of Directors on July 26, 2017 with Resolution 2017-20.

The Sponsor Based Rental Assistance contract began on September 20, 2017 and is for three years. AHFC may agree to enter into successive three-year extensions of the contract prior to the expiration date of any contract period. Any extension may not exceed the AHFC Moving To Work Agreement with HUD, whose end date is June 30, 2028.

#### **1. Owner-Managed Functions**

The owner of this property is Juneau Housing First Collaborative (JHFC). There are 32 units at Forget-Me-Not Manor with sponsor-based rental assistance. Juneau Housing First Collaborative completes the applicant selection. Tlingit Haida Regional Housing Authority is the management agent for this property. AHFC provided the management agent with a Calculation Sheet to ensure proper income calculation, and the owner determines annual income using HUD regulations at 24 CFR 5.603.

- The minimum rent is set at \$50
- Total assets less than \$10,000 may be self-certified by the applicant
- Tenant rent is calculated at 28.5% with no deductions
- The Student Rule is applicable for this development
- At time of admission, a family must have gross income at or below 50 percent of area median income

#### **1.A Annual Examinations**

Income examinations are conducted annually for every subsidized tenant.

#### **1.B Interim Examinations**

Interims are not required except in the following instances:

- An imminent change reported by a tenant/applicant
- To correct any calculation error

### **1.C Minimum Rent Exemption**

The 1998 Quality Housing and Work Responsibility Act (QHWRA, in regulation at 24 CFR 5.630) required PHAs to establish:

- Minimum rents in an amount not more than \$50, and
- Procedures to exempt families from paying minimum rents in cases of financial hardship.

Forget-Me-Not Manor tenants are eligible to participate in this process (see Minimum Rent Exemption exhibit for process).

## **2. Eligibility**

As a sponsor-based rental assistance program, individuals eligible to live at Forget-Me-Not Manor are not subject to standard AHFC screening criteria. Eligible Households must be comprised of one or more members who meet the definition of a Mental Health Trust Beneficiary. A Mental Health Beneficiary is defined as a person experiencing one or more of the following:

1. Mental illness, where “Severely mentally ill adult” is defined as an adult (18 years of age or older) with any mental disorder that is generally recognized to be persistent and to be disabling, with any mental disorder that is generally recognized to be persistent and to be disabling, with or without psychotic features. This population includes all the persons who were previously defined as “Chronically Mentally Ill (CMI) Adults” and those who were previously defined as “Severely Emotionally Disturbed (SED) Adults.”
2. Chronic alcoholism with psychosis;
3. Alzheimer’s disease or related dementia;
4. Developmental disabilities.

JHFC’s targeted population comprises that segment of the Juneau homeless population that currently accounts for the highest per capita expenditure rate for police call-outs, hospitalization, and detox center usage. Third-party verifications are the preferred method of verification; however, when this cannot be obtained, the applicant may self-certify at the lowest level.

## **3. Inspections**

The owner conducts each move-in inspection and an annual building inspection using the AHFC-supplied forms. The inspector must be certified as an HQS inspector.

Annual quality assurance (QA) inspections are conducted in accordance with Housing Quality Standards (HQS) by AHFC. The sampling of inspections is selected in

accordance with procedures set forth in the Quality Assurance & File Maintenance chapter. Additional inspections may be completed at the discretion of AHFC.

#### **4. Monthly Payments**

A monthly invoice is submitted to AHFC for rental assistance payments by the 20<sup>th</sup> of the month using the AHFC-supplied form for the coming month.

- The PHD Central Office reviews each invoice for accuracy.
- The Public Housing Director or designee approves the reviewed invoice for payment.
- Payments are made to the owner on or about the second business day of each month.

#### **5. Contract Rent Increases**

Requests for an increase in the contract rent are submitted to the PHD Central Office for processing. The owner may request a rent increase annually. The increase request must be in writing at least 60 days prior to the annual anniversary (October 1). Rent reasonableness is completed by AHFC using three comparable units and a signed Rent Reasonableness Certification.

#### **6. Quality Assurance Reviews**

AHFC conducts an Annual Quality Assurance (QA) Review. The following processes are reviewed.

- Wait List Management
- Denied Applicants
- Tenant Files to include tenant ledgers
- Owner's Policies and Procedures
- Invoice Submissions

Findings from the review process are discussed with the owner and any necessary corrections are made.

#### **7. Forget-Me-Not Manor Documentation**

The sponsor-based contract, rent increase requests, initial HQS building inspection, annual HQS inspections, rent reasonableness certifications, and comparables are kept in the office of the Program Development Coordinator.

The contracts and rent increases are posted on the AHFC Intranet under Public Housing Contracts.

**Numbered Memo**  
20-15 Sponsor-Based Rental Assistance Exhibits