

Exhibit 16-3

Sponsor Based Rental Assistance – Forget-Me-Not Manor, Juneau

AHFC Policy

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. AHFC may agree to enter into successive three-year extensions of the contract prior to the expiration date of any contract period. An extension may not exceed the AHFC Moving To Work Agreement with HUD, whose end date is June 30, 2028.

- Phase I – The Sponsor Based Rental Assistance (SBRA) Housing Assistance Payments contract began on September 20, 2017 with an initial term of three years and subsidizes 32 units. Six (6) units were built with HOME Investment Partnership funds and must remain compliant with those regulations.
- Phase II – The Sponsor-Based Rental Assistance contract began on August 18, 2020 with an initial term of three years and subsidizes 24 units.
 - Six (6) units were built with National Housing Trust funds and must remain compliant with those regulations.
 - In addition to the 24 sponsor-based units, there are eight (8) units subsidized with Section 811 funds that must remain compliant with those regulations.
- A detailed listing of the units in each phase can be found on the monthly AHFC billing form.

1. Owner-Managed Functions

The owner of this property is Juneau Housing First Collaborative (JHFC). Juneau Housing First Collaborative completes the applicant selection. Tlingit Haida Regional Housing Authority is the management agent for this property. The owner determines annual income using HUD regulations at 24 CFR 5.603 and uses the AHFC-approved income calculation form.

- 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

1.A Income at New Admission

At the time of admission, a family must have gross annual income at or below:

- Phase I - 50 percent of area median income.
- Phase II - 30 percent of area median income.

1.B Annual Examinations

Income examinations are conducted annually for every SBRA subsidized tenant.

1.C 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.D 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 the 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. The City and Borough of Juneau Coordinated Entry will provide referrals to Forget-Me-Not Manor.

2.A Phase I Eligibility

In addition to Coordinated Entry, Phase I units will use a Waiting List. 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. For the waiting list, third-party verifications are the preferred method of verification; however, when this cannot be obtained, the applicant may self-certify at the lowest level.

2.B Phase II Eligibility

In accordance with Grant Agreement GOL-19-JHT-1, Phase II units are targeted to special needs households in Juneau. These units will be filled through referrals from Coordinated Entry only.

3. Inspections

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

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 20th 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 with documentation for

the increase. Rent reasonableness is completed by AHFC using three comparable units and a signed Rent Reasonableness Certification.

- Phase I – the annual anniversary is October 1.
- Phase II – the annual anniversary is September 1.

6. Quality Assurance Reviews

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

- Waiting List and Coordinated Entry Referral Management,
- Denied Applicants,
- Tenant Files to include tenant ledgers,
- Owner’s Policies and Procedures, and
- 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, and rent reasonableness certifications and unit 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

21-14 Chapter 16 Local, Non-Traditional Activities