



ROBERT J. GAFFNEY  
SUFFOLK COUNTY EXECUTIVE

JAN 06 2004

DEPARTMENT OF SOCIAL SERVICES

Janet DeMarzo  
Commissioner

December 30, 2003

Patricia A. Stevens, Deputy Commissioner  
Division of Temporary Assistance  
Office of Temporary and Disability Assistance  
40 North Pearl Street  
Albany, New York 12243

Dear Deputy Commissioner Stevens:

Enclosed please find Suffolk County's revised Shelter Supplement Plan. We have addressed the issues raised in your letter of November 21, 2003 and hope that this plan is acceptable.

Based on your concerns, we modified several issues outlined in Section 5. The phrase "eligible children" was clarified by the addition of the defining characteristics suggested in your letter. The term "shared housing" was eliminated and the standards for defining a household and budgeting income were adapted from the TSS regulations. This change also eliminated the issue of "discretion" about shared housing. As you suggested, we removed the language relating to "recoverable" overpayments, as this issue is covered under general Temporary Assistance regulations. The paragraph providing for retroactive payment to cover sanctioned periods was changed to specifically forbid any payments for sanctioned periods.

In section 6, the agency approval will be based upon our current standards of affordability. These standards will be detailed in the procedure, which will be written and forwarded to OTDA for approval before implementation of the plan.

Section 7 has been changed to require non-T.A. contributors to make their payments directly to the landlords. In addition, the clarification you suggested regarding the agency's approval of third party contributors has been added to this section.

Section 9 was removed completely. Clients will now be able to request a fair hearing on the shelter supplement based upon existing regulations.

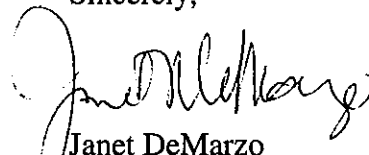
Section 15 is now section 14. We have specified that any client in receipt of the subsidy will continue to receive it, with certain conditions.

The issues you identified in your letter as non-critical items have been addressed as follows:

- ◆ The report you requested entitled "The Affordability of Long Island Housing" is enclosed.
- ◆ The housing form will be modified to remove the misleading statement regarding excess rents and to incorporate the new shelter standards in the form.
- ◆ We will be developing a plan in the near future with OTDA for the transition of Sharp/Holmes intervenors to the rent supplement program and the specific steps for shutting down the supplement program, should that become necessary.

We have already begun to work on a written procedure which will address the implementation of the program in great detail and satisfy any concerns which you may have. If you have any further questions about the plan, please contact Donald F. Reed at (631)854-9670.

Sincerely,



Janet DeMarzo  
Commissioner

cc: Roger Barbaro, Division Administrator, Housing and Adult Services

**Shelter Allowance Supplementation**

1. The on-going demand in the housing market in Suffolk County continues to negatively impact affordable rental units for low-income persons. Rental units are being eliminated through home sales or, priced upward and out of reach of most families due to the growing demand for such affordable rental units. In a report (based on 2000 census information) by Pearl M. Kamer, Consulting Economist, titled The Affordability of Long Island Housing, it was found that 35.6% of Suffolk County renters and home owners spend 35% or more of their household income for a place to live. This exceeds the 30% guideline utilized by the U.S. Department of Housing and Urban Development to determine affordability of housing. Also based on 2000 census information, is the fact that the vacancy rate of renter occupied units in Suffolk County fell from 7.0% in 1990 to 3.4% in 2000. Suffolk County is also devoid of any public housing. For the above reasons, a Shelter Allowance Supplementation program is necessary in Suffolk County. The new rental standards, established in regulation effective November 1, 2003, will not provide sufficient funds for rental units for some of our low-income T.A. clients in Suffolk County. This is especially true of those who do not have an additional sources of income such as employment, SSI, etc. The courts have already recognized the inadequacy of the shelter standards. In Holmes v. Perales the court granted temporary relief, by granting intervenor status, to eligible families who are in receipt of public assistance and whose shelter costs exceeded the schedule of maximum shelter payments under 18 NYCRR 352.3, and who were in imminent danger of losing their permanent housing solely by reason of the fact that their monthly rental costs exceeded their maximum monthly shelter allowance. The shelter standards imposed by regulation need to be supplemented so that clients are able to compete in the current housing market and are able to secure or retain permanent housing. Failure to secure or retain permanent housing results in placement of additional families in temporary housing as well as extending the length of temporary housing placements.
  
2. The tables on the following page show the actual amounts of rent paid under the terms of ongoing litigation to preserve housing (Holmes) or place homeless families into permanent housing (Sharp). HUD standards (Section 8) are shown immediately below:

**SECTION 8 PAYMENT STANDARDS:**

A "Payment Standard" is used to calculate the monthly housing assistance payment for a family.

The "Payment Standard" is a maximum set by the housing agency and the Department of Housing and Urban Development (HUD). It is determined from cost data for the Nassau/Suffolk Region for modest, safe housing of a particular size structure. Currently, the Payment Standards in Suffolk County are as follows:

<u>0-BDRM</u>	<u>1-BDRM</u>	<u>2-BDRM</u>	<u>3-BDRM</u>	<u>4-BDRM</u>
\$868.00	\$1,149.00	\$1,402.00	\$1,864.00	\$1,997.00

**HOLMES**

<b>DATES</b>	<b>FAMILY SIZE</b>	<b>RANGE</b>	<b>AVERAGE</b>
July 01 – Dec. 01	2	650-950	771
	3	743-1125	880
	4	500-950	821
	5	786-1050	945
	6	1150-1250	1175
Jan2 – Dec. 02	2	550-1200	878
	3	700-1250	985
	4	700-1200	1036
	5	850-1150	1033
Jan 03 – July 03	2	793-1045	867
	3	900-1100	1019
	4	1082-1300	1173
	5	1200-1300	1241
	6	1162-1350	1256

**SHARP**

<b>DATES</b>	<b>FAMILY SIZE</b>	<b>RANGE</b>	<b>AVERAGE</b>
July 01 – Dec. 01	2	640 – 900	804
	3	850 – 1050	918
	4	950 – 1100	1050
	5	1150 – 1300	1207
	6	1100 – 1400	1233
Jan. 02 – Dec. 02	2	700 – 1005	864
	3	743 – 1250	983
	4	743 – 1250	1105
	5	850 – 1400	1161
	6	1400 – 1400	1400
Jan 01 – July 03	2	800 – 1000	910
	3	650 – 1250	1031
	4	743 – 1300	1105
	5	750 – 1450	1192
	6	1000 – 1450	1250

3. The affect of such supplementation on the ability of non- T.A. recipient families (i.e. working class) to find and retain affordable housing will be minimal. Suffolk County's proposed supplementation is comparable to that provided under the terms of the Sharp/Holmes litigation. This litigation has been in place for more than ten years with no appreciable impact on the availability of low income housing for non-T.A. families. Our proposed supplements will still provide significantly lower rents than Section 8, and be available to a smaller number of clients.

4. The effective date of this plan will be March 15, 2004.

5. Suffolk County's proposed Shelter Supplementation would be available to any T.A. recipients (FA or SN) with eligible children (i.e. children under 18 or 18 and in school), who require the supplement in order to retain permanent housing or to relocate to permanent housing from emergency housing (recipients of THA). Applicants for T.A. will not be eligible for the supplement until their cases are open. Eligibility for T.A. will be determined based upon the shelter standards, without regard to the supplement.

For budgetary purposes, the number of persons in the public assistance household are those persons who the applicant, recipient or a representative indicates wish to receive public assistance and who reside together in the same dwelling unit. The applicant or recipient must include his or her minor dependent children in the application. When a minor dependent child is named as an applicant for public assistance, his or her natural or adoptive parents and blood-named or adoptive brothers and sisters (who are also minor dependent children) must also apply for public assistance and have their incomes and resources applied toward the public assistance household if they reside in the same dwelling unit as the applying minor dependent child. A person required to be added to the public assistance household is deemed to be included in the application already on file as of the date the person joins the household, either by birth, adoption, or by moving into the dwelling unit of the existing public assistance household. Parents and siblings who are SSI recipients, ineligible sponsored aliens, aliens who fail to meet the citizenship and alienage requirements in 18NYCRR 349.3(a), individuals ineligible due to the lump sum provision of 18NYCRR 352.22 (p) are not required to apply. The public assistance household may also include persons who are temporarily absent from such household, such as children or minors attending school away from home whose full needs are not otherwise met.

In order to be eligible for the supplement, the household shall not include any sanctioned individuals. Individuals residing in the household, but not on T.A. or SSI, will be required to pay their prorated share of the rent, with the exceptions noted above. SSI recipients will be required to pay 30% of their income towards the rent, or their prorated share, whichever is lower. Any change in household composition or income must be reported immediately to the LDSS. The amount of the supplement will then be recalculated.

Should any member of the household be sanctioned by T.A., or the T.A. case closed for any reason, the supplement will be immediately terminated. If the client complies and the sanction is lifted within 30 days of the effective date, the supplement will be restored, as of the date the sanction is lifted. If a closed case is reopened within 30 days, the supplement can also be reinstated, providing that there are no other changes in eligibility. A client who loses the supplement due to a sanction may reapply for the supplement when the sanction is satisfied and the sanctioned individual is restored to the case. This request will be subject to a LDSS administrative review. If approved, the supplement will be restored prospectively. No arrears for the sanctioned period will be authorized.

6. Payment from the client will be required only when the rent exceeds twice the shelter standard. The maximum total amount of rent paid under this program will be equivalent to 2 times the current standard plus a client contribution of \$150 to \$300, depending upon family size. The client contribution will be derived either from the client's non-shelter grant funds, exempt income or

payment by a non-T.A. member of the household. The amount of the additional contribution will be subject to agency approval based upon the agency's standard for affordability, but will not exceed these guidelines. The supplement will apply only toward rent. No funds will be authorized under this program for court costs, legal fees or late charges.

Family Size	2	3	4	5	6	7
Standard	358	447	503	560	586	611
Multiple	X 2	X 2	X 2	X 2	X 2	X 2
Net	716	894	1006	1120	1172	1222
Client Responsibility.	\$100-150	200	200	200	300	300
Total Rent	\$816-866	1094	1206	1320	1472	1522

7. Clients will be required to request the supplement in writing, utilizing LDSS designated forms. We will require documentation of property ownership from the landlord, if not already in the record. Non-T.A. members of the household will be required to provide documentation of their income and agree in writing to pay the prorated amount or rent determined by the agency directly to the landlord. Whenever possible, we will restrict the entire rent. The agency's approval of non-T.A. contributors will be based on an assessment of factors that impact on whether the contribution is credible and sustainable.
8. Payment of rent arrears will be limited to six (6) months rent, with recovery from the client's grant when appropriate. Arrears will also be subject to LDSS review regarding the client's ability to meet future rent payments. An administrative review by LDSS will be required if a client applies for a second payment of rent arrears within five (5) years. If special circumstances arise, the LDSS may determine to pay the arrears, with recoupment, when appropriate. LDSS will not require that there be a court proceeding when a client is requesting arrears. We will accept a notarized statement from the landlord accompanied by a written request from the client.
9. Leases will be requested in all rent supplementation cases, but will not be required. If the landlord is willing to provide a lease, it must include all members of the resident household.
10. We currently inspect all housing when clients request agency participation in a move or intervenor status in rent supplementation litigation. Our inspection is to determine that the housing meets health and safety standards according to the relevant state regulations. This policy will apply to all properties where supplementation is requested.
11. The supplemental allowance will not have an automatic time limit. A family will continue to be eligible for the supplement as long as they meet the basic eligibility requirements of the program and remain at the same address. When planning to relocate, a client must submit a new request for rent supplementation, if the supplement is needed to meet the new rent. Changes in household composition, which do not affect eligibility, may require an adjustment in the amount of the supplement. Requested rent increases will be evaluated after a written request is submitted. The rent supplement will not exceed the guidelines established by the LDSS.
12. In Suffolk County, the supplemental allowance will not include a "one time incentive payment" to the landlord. Prior incentive programs proved unsuccessful for the LDSS.
13. There are currently 255 families receiving rent supplementation through the Sharp/Holmes litigation. This supplementation plan will replace these lawsuits. There are another 11 Safety Net families receiving the Temporary Shelter Supplement. Assuming that families currently receiving supplementation under all three categories will be covered under the new program, using the average cost

in each category, the increase in cost will be modest. There may be a slight increase in the total number of families receiving a supplement because homeless Safety Net families, excluded from Sharp intervenor status, will now be eligible once again. There are currently 80 Safety Net families receiving THA. The additional cost of supplementation must be weighed against the expense of providing Temporary Housing Assistance for homeless families at an average cost of \$5,362.00 per month.

The number of Sharp/Holmes eligible clients fluctuates, but has not increased substantially over the years. This is due in part to a decrease in the number of Temporary Assistance clients. Also, clients lose their eligibility to intervene when they become sanctioned and this has resulted in limiting the number of recipients at any one time. The proposed supplement will be available to Safety Net families in emergency housing. Safety Net families comprise 16% of our current homeless population. We will therefore increase the predicted number of eligible families by 16% of the current Sharp intervenors (29 families).

### Current Actual Additional Cost of Present Subsidies

	Cost/mo per family	Total cost per month	State/County Share	Annual Cost	Annual State/Co. Share
Sharp/Holmes	\$603.00	\$153,765.00	\$38,441.25	\$1,845,180.00	\$461,295.00
TSS	\$439.00	\$ 4,790.50	\$ 2,395.00	\$ 28,740.00	\$ 14,370.00
Total		\$158,555.00	\$40,836.50	\$1,873,920.00	\$475,665.00

It is anticipated that the new Supplement will cover these families plus an estimated 29 additional Safety Net families as noted above, for a total of 295 families. Using an average family size of four (4), the estimated cost of the Supplement is shown below:

	Per mo./per family	# Families	Annual Cost	Co./State Share
FA	\$503.00	255	\$1,539,180.00	\$384,795.00
TSS	\$503.00	40	\$241,440.00	\$120,720.00
Totals			\$1,780,620.00	\$505,515.00

The average cost for maintaining a family in emergency housing, including school transportation, is now \$5,362.00 per month on \$64,344.00 a year. If 50% of the families projected to be eligible for the supplement were to enter emergency housing, the cost would be \$9,490,740.00. This amount is 533% of the estimated cost of the subsidy.

14. The supplement will initially be provided through a pilot program, limited to six (6) months duration. If it is decided to terminate the program at the end of the six (6) month pilot program, the LDSS will notify NYSOTDA 30 days in advance of the termination date. If it is determined by the LDSS to continue the program, it will be extended for three (3) month periods, based upon quarterly evaluations of the continued need for, and effectiveness of, the program. This evaluation will include the adequacy of rent supplementation, based upon local conditions. Should the program be terminated at any time, those clients in receipt of the subsidy will continue to receive it based upon the conditions cited above and the continued availability of federal and state reimbursement., for as long as they remain at the approved address.
15. The supplement will be made available only while state and/or federal reimbursement continues to be available at the current levels, and the LDSS has sufficient funds. The LDSS reserves the right to cancel the program with thirty (30) days notice to NYSOTDA, for any reason.