



Instruction Manual

2019 CHICAGO CONTINUUM OF CARE INTENT TO RENEW

2019 Intent to Renew – Instruction Manual

Chicago Continuum of Care



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Cover Page

Lead Agency Information

Complete the Lead Agency Information section with the complete agency name, physical location, and general agency contact information.

Contact Person for Questions about this ITR

Identify one or two people to act as the main contacts for questions about the entire ITR submission, including the Intent to Renew, Certification Checklist and Initial Desk Audit. Provide their names, email addresses, and phone numbers. The contact person(s) will act as a liaison between All Chicago staff and agency staff regarding any follow-up that occurs to resolve “pass with findings” designations. If the agency receives a “pass with findings” regarding fiscal criteria, the contact person may provide contact information for the appropriate person in the agency’s financial department for direct communication to occur.

SurveyGizmo user tip: If you would like to add more than one contact person, click on “Add Another Contact Person” to answer the set of questions again for a new contact.

Executive Director

For reference, provide the name and contact information for the Executive Director.

Project(s) Information

The form will pre-populate the number of projects funded at your agency and key information that is already on file for each project, such as project name and HMIS ID. Do not delete the pre-populated information. Complete all of the missing information.

Intent to Renew

After completing the missing information for each project, indicate whether the agency intends to renew each one. If you decide not to renew a project in the 2019 grant cycle, you do not have to submit responses for that project in the rest of the form. However, if you will renew at least one project, the rest of the form must be completed.

Name and Signature

A signature must be provided. There is no requirement regarding who may sign, but it must be a person within the agency who has appropriate authority to do so. Provide the title and the date of submission.

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Certification Checklist

I. Fiscal Criteria

HUD Monitoring Findings

This section relates to all HUD monitoring of both fiscal and programmatic requirements.

A project that has not been monitored in calendar year 2017 or 2018 will **not** submit attachments. Otherwise, submit the following for **Attachment A**:

- 📄 *HUD Monitoring Letter (indicating findings or lack thereof) – Submit if Question #1 is “Yes”*
- 📄 *HUD close out letter (indicating resolution of findings) – Submit if Question #2 is “Yes”*
- 📄 *Correspondence submitted to HUD to attempt to resolve the finding(s) as well as any additional response(s) from HUD – Submit if #2 is “Yes” and #3 is “No”*

If an agency has been monitored by HUD in 2017 or 2018 but has not yet received the results from HUD, please select “Yes” for question 1 and “No” for questions 2 & 3. Provide an explanation in the question 3 text box.

An agency will receive a “Pass with Findings” designation if there are unresolved HUD Monitoring findings and sufficient progress has not been made towards resolving the findings with HUD.

Fiscal Year

Provide the start and end date of the agency’s fiscal year. This question is informational. By receiving this information, it is possible to determine if the audited financial statement attached in the following question is within 9 months of the end of the fiscal year.

Recent Financial Statement

Agencies should have an audit completed for the agency within 9 months of the end of the most recently completed fiscal year. Attach the agency’s most recently completed financial statement audit (**Attachment B**). As an example, if the agency’s most recent year end is 6/30/2018, you will likely be able to attach the audit for 6/30/2018. If not, attach the audit for 6/30/2017 and make sure that this audit was completed by March 31, 2018. As another example, if the agency’s most recent year end is 12/31/2018, you will likely attach the audit for the year that ended 12/31/2017 because the audit for the year that ended 12/31/2018 will not have been completed yet. Make sure that the 12/31/2017 audit was completed by September 30, 2018.

If an audit has **not** been completed within 9 months of the end of the fiscal year, explain why.

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An agency will receive a “Pass with Findings” designation if the financial risk assessment completed by All Chicago results in a “High Risk requiring technical assistance” designation.

Single Audit

In general, agencies with \$750,000 in federal expenditures in a fiscal year are required to undergo a single (Uniform Guidance) audit. If the agency is required to have a single audit, **Attachment C** is a copy of the most recent single audit (which should be for the same fiscal year as the attached financial statement audit). If the agency is not required to have a single audit, then determine which of the three letters (Auditor’s management letter; Auditor’s Communication with Those Charged With Governance – AU 260, or Communicating Internal Control Related Matters Identified in an Audit – AU 265) were issued by your auditors for the relevant fiscal year and attach all such letters as **Attachment C**. At a minimum, attach the AU 260 letter. If you have any questions regarding these letters, contact your auditor for clarification.

Please note that a single audit is different than a financial statement audit. However, most times auditors will package both together. If you are required to submit the Single Audit report and it has already been submitted with Attachment B, indicate this in SurveyGizmo. You will not be required to submit the same documentation twice. However, if the Attachment B did not include the Single Audit Report, submit it for Attachment C.

An agency will receive a “Pass with Findings” designation if the financial risk assessment completed by All Chicago and described below results in a “High Risk requiring technical assistance” designation.

2019 Financial Risk Assessment

Introduction:

The Financial Risk Assessment process evaluates the financial statements, single audits and management representation letters of CoC funded agencies to develop a risk score for each agency. The risk assessment methodology was developed in collaboration with the CoC CFO workgroup. This risk score will determine whether an agency requires technical assistance prior to approval of its project renewal applications and will determine whether an agency will be selected for financial monitoring. Agencies will be classified as follows:

- Low Risk
- Medium Risk
- High Risk
- High Risk requiring technical assistance

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Method:

All Chicago will review the financial statements and single audits of each agency. If a single audit is not required, All Chicago will review the following documents (if issued): auditor’s management letter, AU 260 letter, and AU 265 letter. These documents will be scored based on the following scoring system.

Q. #	Risk Evaluation Item	Risk Points
1	Single Audit Required?	1 if No
2	Audit completed within nine months of year end?	1 if No
3	Financial Statements Auditor's Report	3 if modified
4	Single Audit Report	3 if modified
5	Internal control # of material weaknesses	2 per weakness
6	Internal control # of significant deficiencies	1 per weakness
7	Internal control # of instances of material noncompliance	2 per instance
8	Fed awards # of material weaknesses	2 per weakness
9	Fed awards # of significant deficiencies	1 per weakness
10	2 CFR Section 200.516(a) Disclosures	3 if Yes
11	Low Risk Auditee? (Yes or No)	1 if No

Under this scoring methodology, a perfect risk score is 0.

Agencies will be classified as follows:

- Low Risk: 0 -1 points
- Medium Risk: 2 -3 points
- High Risk: 4 points or more
- High Risk requiring technical assistance: 4 or more points and the agency receives risk points for questions 3 or 4 (modified/qualified opinion on the single audit or financial statement audit report).

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Appeals:

All agencies will receive the detail of their risk score calculation. All components of the risk score may be appealed to the CFO workgroup, through All Chicago. Appeals can include mitigating circumstances that led to risk points being assessed. For example, an audit may have been completed after nine months due to issues with the auditor.

Technical Assistance and Monitoring:

Agencies classified as High Risk requiring technical assistance must receive technical assistance prior to approval of its project renewals and demonstrate the capacity to address any issues which can result in questioned or disallowed costs.

Agencies classified as High Risk may be selected for financial monitoring and technical assistance after project renewal. Agencies classified as medium risk may also be selected for focused technical assistance and/or monitoring.

Match

An agency will receive a "Pass with Findings" designation if it cannot meet the match requirement for all of its renewal projects.

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II. Programmatic Criteria

Coordinated Entry System (CES)

Answer “Yes” if the project does any **one** of the following:

- Refers clients to access points when they are seeking assistance
- Ensures all clients are assessed through the Coordinated Entry System
- Has a skilled assessor on staff to conduct assessments
- Requests matches for all vacancies through Coordinated Entry
- Only accepts clients through Coordinated Entry for vacancies
- Utilizes Coordinated Entry transfer requests for all transfers
- Fulfills matching requests
- Coordinates outreach efforts
- Coordinates or participates in System Integration Team meetings
- Oversees the Coordinated Entry System
- Performs housing system navigation

A project will receive a “Pass with Findings” designation if it does not participate in CES as defined above.

Annual Performance Report (APR)

The APR must have been submitted to HUD in Sage. All Chicago will use Sage to verify that the status of the APR is “Submitted,” “Accepted,” or “Awaiting Director Review.” Explain any extensions or new dates issued by HUD.

A project will receive a “Pass with Findings” designation if an APR was submitted late or rejected by HUD.

Housing First Approach

Each of the supporting documents (Attachments D-1) will be evaluated using the criteria provided in the Initial Desk Audit Guidance. A project will receive a “Pass with Findings” designation if the Initial Desk Audit Guidance criteria are not met.

Attachment D: Please note that you are not requested to upload all of the forms/handouts used during intake. The requirement is to upload a written process for filling vacancies, a description of the intake procedure, and a **list** of the forms/handouts used.

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III. HMIS Data Quality

HMIS implementation, participation, and data quality are priorities for both the Chicago CoC and HUD. By implementing a system-wide HMIS, the Chicago CoC will be able to provide information on persons served, including local trends. Accurate and timely data can inform the work of all programs to ensure priorities are appropriately assigned and needs of the community are addressed. HMIS will also provide system-wide data that will assist Chicago in measuring our success in implementing the HEARTH Act and Plan 2.0.

HMIS Implementation

Participation in HMIS for HUD-funded projects is mandatory. The answer will be verified by All Chicago. Projects that exclusively serve victims of domestic violence should select “N/A.”

A project will receive a “Pass with Findings” designation if it does not participate in HMIS.

Data Quality

For question 14, Indicate whether or not the agency’s projects have participated in and complied with the requirements of the last four HMIS Quarterly Data Quality Assessments (January 2018, April 2018, June 2018, and October 2018). Projects will be considered compliant only if no fields have more than 5% missing data and there are zero child only entries upon final submission. All Chicago and will verify all responses using HMIS records.

For question 15, in the last quarterly data quality period of October 2018, indicate whether or not this project has:

- 5% or less missing values in the reporting period for all required HUD Universal Data Elements (UDEs) and Program Specific Data Elements in HMIS. SSN and DOB fields will not be included in the scoring.
- No erroneous Child Only Entries
- Entries entered within two days of event
 - Acceptable threshold for compliance is 90% for all program types as per the Chicago HMIS Data Quality plan. (<http://bit.ly/HMISDQplan>)
- Bed/unit utilization on specific point in time within the range specified in the Data Quality Plan for this program type
 - Acceptable range of bed/unit utilization rates as per Chicago HMIS Data Quality Plan (<http://bit.ly/HMISDQplan>)
 - Emergency Shelters: 80%-105%
 - Interim Housing: 80% - 105%
 - Transitional Housing: 80% - 105%
 - Permanent Supportive Housing: 85% - 105%
 - Safe Haven: 85% - 105%

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- Agency Project Types for providers are listed here: <http://bit.ly/AgencyProjectTypes>

Agency Technical Administrators can utilize the 2018 January Chicago Data Quality Assessment to check the percentages of missing data. Information will be verified by All Chicago staff through ServicePoint and using the Quarterly Data Quality Assessments.

A project will receive a “Pass with Findings” designation:

- If it has not complied with the Quarterly Data Quality Assessment Processes or
- If it has more than 5% missing values on Universal Data Elements and Program Specific Data Elements in HMIS for the October 2018 reporting period, or
- If there are erroneous child only entries, or
- If there is a bed/unit utilization on a specific point in time out of the range specified in the Data Quality Plan for this program type

IV. HEARTH Act Compliance

Confidentiality

HUD requires that agencies agree to maintain confidentiality of any individual or family who receives family violence prevention or treatment services. Please certify that your agency agrees to do so.

A project will receive a “Pass with Findings” designation if it does not agree to maintain confidentiality.

Person of Lived Experience Participation

The CoC Interim Rule, 578.75(g)(1), requires that, “Each recipient and subrecipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policymaking entity of the recipient or subrecipient, to the extent that such entity considers and makes policies and decisions regarding any project, supportive services, or assistance provided under this part. This requirement is waived if a recipient or subrecipient is unable to meet such requirement and obtains HUD approval for a plan to otherwise consult with homeless or formerly homeless persons when considering and making policies and decisions.”

A project will receive a “Pass with Findings” designation if it does not provide for participation of a homeless or formerly homeless person on the Board of Directors or other equivalent policy making entity.

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Question 18 addresses whether the agency makes the opportunity available for participation of a homeless or formerly homeless individual. Question 19 addresses whether there is current participation of a homeless or formerly homeless individual. Questions 19-22 are informational in purpose.

Family Projects Where There is at Least One Parent & One Child

If an agency does not serve at least one household that consists of one parent and one or more children 18 and under, the agency will be able to skip this section due to non-applicability.

Family projects should be able to demonstrate compliance with these requirements in their intake policies, referral documentation, MOU/Linkage agreements, and Individual Service Plans (ISPs).

A project will receive a “Pass with Findings” designation if it does not verify all procedures listed in this question.

Rent Reasonableness

See Initial Desk Audit Guidance for guidance on the documents to submit. A project will receive a “Pass with Findings” designation if the expectations outlined in the ITR are not met.

Housing Quality Standards

See Initial Desk Audit Guidance for guidance on the documents to submit. A project will receive a “Pass with Findings” designation if the expectations outlined in the ITR are not met.

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Desk Audit Guidance

Attachment A: HUD Monitoring Documentation (if applicable)

Attach the following:

📄 *HUD Monitoring Letter (indicating findings or lack thereof) – **Submit if monitored in calendar year 2017 or 2018***

📄 *HUD close out letter (indicating resolution of findings) – **Submit if there was a finding that has been resolved***

📄 *Correspondence submitted to HUD to attempt to resolve the finding(s) as well as any additional response(s) from HUD – **Submit if there was a finding that hasn't yet been resolved***

Criteria

- The program has documentation of HUD monitoring and has evidence of steps taken to work towards or complete the resolution of any findings in a timely manner.

Attachment B: Annual Financial Statement Audit

Attach the following:

📄 *Most recently completed audited financial statement (complete package)*

Criteria

- An audit is completed within 9 months of the end of the agency's fiscal year.
- The audit opinion indicates that the organization's financial statements are fairly presented in accordance with generally accepted accounting procedures (GAAP).
- The audit opinion does not include any substantial doubt about the organization's ability to continue as a going concern.

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
Attachment C: Single Audit Report or Management Letter

Attach the following:

 *Single audit report (complete package)*

In general, agencies with \$750,000 in federal expenditures in a fiscal year are required to undergo a single (Uniform Guidance) audit.

OR

 *If not required to undergo a single (uniform guidance audit), determine which of these three letters were issued by your auditors and attach all such letters. At a minimum, attach the AU 260 letter. If you have any questions regarding these letters, contact your auditors for clarification.*

- Auditor’s management letter (if issued by your auditor)
- Auditor’s Communication With Those Charged With Governance, referred to as an AU 260 letter (this communication is required to be issued in connection with an audit)
- A “Communicating Internal Control Related Matters Identified in an Audit” letter, referred to as an AU 265 letter (if issued by your auditor)

Criteria

The single audit or management letters will be reviewed along with the financial statements to develop a financial risk score for each agency. The items that factor in the risk assessment score are as follows:

- In the case of the single audit, the following items will factor into the financial risk score.
 - Whether the reports were issued within 9 months of fiscal year-end
 - Any modification of the financial statement opinion
 - Any qualification of opinion with respect to a federal program.
 - Any audit findings with that are required to be disclosed under 2 CFR 200,516(a)
 - Any material weaknesses with regards to financial statements or federal awards
 - Any significant deficiencies with regards to financial statements or federal awards
 - Whether the organization is determined to be a low-risk auditee
- If no single audit is required:
 - Any issues with management with respect to the audit.
 - Any material weaknesses or significant deficiencies.

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Attachment D: Intake Procedure and Packet

Attach the following:

- 📄 A written process that explains how the program fills vacancies.
- 📄 Describe the process used during program intake. What steps are taken prior to determining if participants are eligible or ineligible? At what point are eligible participants enrolled into the program? Clearly specify any documentation that is requested from participants, and whether it is required to move forward with program enrollment.
- 📄 A **list** of all forms and handouts used during intake, including but not limited to the initial assessment of the participant, participant agreement, consent for data sharing, written eligibility criteria, discharge policy, grievance process, consumer handbook/orientation, and other policies, procedures, and regulations.

Criteria

- For programs that are required to utilize Coordinated Entry, the written process indicates that the program is using Coordinated Entry to fill all vacancies.
- The written process or narrative indicates that intake staff discuss homeless history with participants to determine if participants meet the homeless definition or, if applicable, chronic homeless definition. PSH programs have outlined protocols for instances when a match is received for someone not experiencing chronic homelessness.
- The written process or narrative indicates that lack of chronic homeless documentation is not a barrier to program enrollment – i.e., participants are not required to provide documentation of chronic homelessness prior to program enrollment. Staff members work with participants to acquire documentation as quickly as possible after program enrollment occurs.
- The written process or narrative indicates that enrollment and movement into permanent housing occurs quickly to be in alignment with a housing first approach.
- The written process and list of forms demonstrates that during enrollment participants receive information about the program including but not limited to the written eligibility criteria, discharge policy, grievance process, consent for data sharing, consumer handbook/orientation, notice of occupancy rights under the Violence Against Women Act (VAWA) (for example, HUD form 5380), and other policies, procedures, and regulations.

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Attachment E: Eligibility Criteria

Attach the following:

📄 Written eligibility criteria that includes non-discrimination and explains any criteria used to qualify or disqualify a participant from program enrollment.

Criteria

- The written criteria demonstrate that eligibility criteria is in alignment with the HUD definitions of homelessness and chronic homelessness, as applicable to the program type.
- The written eligibility criteria is non-restrictive and demonstrates alignment with a housing first approach by removing all of the following as barriers to accessing housing and services: having too little or no income, active or history of substance use, having a criminal record (with exceptions for state-mandated restrictions), history of domestic violence (e.g. lack of protection order, period of separation from abuser, or law enforcement involvement).
- The written eligibility criteria demonstrate alignment with a housing first approach because it does not require participants to participate in services or treatment or meet certain service goals or time limits in order to be placed into or retain housing.
- The written eligibility criteria is minimal and either does not suggest/state any of the above restrictions OR explicitly states that these restrictions are not in place for the program.
- Housing that is limited to specific subpopulations is in accordance with regulations set forth in 578.93 of the [CoC Program Interim Rule](#).
- The agency ensures that HUD-funded services are made available to all eligible persons, according to the agency's eligibility policies, and does not discriminate on the basis of marital or familial status, political or religious belief, ethnic group identification, medical condition, sexual orientation, gender identity, military status, or physical/mental disability.
- The agency is in compliance with all applicable non-discrimination and equal opportunity laws including those set forth in 578.93 of the [CoC Program Interim Rule](#), [24 CFR 5.105\(a\)](#), [Final Rule on Gender Equity](#), and the [Final Rule on the Violence Against Women Act \(VAWA\)](#).

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Attachment F: Discharge/Termination Policy

Attach the following:

- 📄 The policy that explains possible reasons for program discharge or termination and how/when this information is shared with participants.
- 📄 The policy that explains the grievance procedure (due process) and how/when this information is shared with participants.
- 📄 The forms used to implement the above-mentioned policies, as applicable. Possible attachments may include a grievance form or discharge/termination letter template.
- 📄 If the project is governed by laws and/or funder policies which conflict with any of the expectations listed below, submit the law/policy and an explanatory narrative.

Criteria

- In alignment with a housing first approach, the discharge policy does not include any of the following as reasons for program termination: failure to participate in supportive services, failure to make progress on a service plan, loss of income or failure to improve income, being a victim of domestic violence, and any other activity not covered in a lease agreement typically found in the project's geographic area.
- The discharge policy includes all of the following: an internal, due process hearing or investigation prior to discharging the consumer, assistance with locating other housing (for housing projects) or service (for SSO projects) options if needed, a statement that the agency will make and document all reasonable attempts to avoid discharging consumers onto the street or without needed services, and a policy allowing consumers to remain in the project even if they require an absence of 90 days or less due to substance use treatment intervention, mental health treatment intervention, hospitalization, and incarceration (except for programs utilizing CHA vouchers in which case the subsidy is removed after 30 days of absence from the unit).
- Participants are provided with the policy that explains reasons for program termination at the time of enrollment into the program. For involuntary program terminations, exit paperwork indicates the specific reason for termination.
- Minimally, participants are provided with the grievance procedure (due process) at the time of enrollment and when the participant exits, whether voluntarily or involuntarily. The grievance procedure is easily accessible and understood and final decisions are provided promptly and in written format.

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Attachment G: Service Plan

Attach the following:

- 📄 A written procedure that includes expectations of how and when to complete a service plan.
- 📄 A Service Plan Template.

Criteria

- The written procedure provides guidance on the elements of a strong service plan, identifies the staff member(s) responsible, and identifies the frequency with which they are to occur.
- The Service Plan Template is designed to be client driven in the creation of individualized goals, dates/timelines, frequency of review, and space for staff and participant signatures and dates.

Attachment H: Participant Handbook and Rights

Attach the following:

- 📄 The participant handbook, orientation materials, postings, or any other documentation that provides, at minimum, information about the program description, services, rules, notice of participant rights, discharge policy, and grievance procedure.
- 📄 Describe how/when the information in the first attachment is shared with / explained to participants.

Criteria

- The notice of participant rights addresses, at minimum, confidentiality, non-discriminatory practices, right to refuse services and have consequences, if any, explained, code of ethics or prohibition of conflict of interest (as relates to participant/staff relationships), redress and grievance process.
- The program rules follow a housing first approach by not removing participants from the program for: failure to participate in supportive services, failure to make progress on a service plan, substance use, loss of income, criminal record, being a victim of domestic violence, or any other activity not typically found in a lease agreement.

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Attachment I: Lease & Occupancy Agreements

Attach the following:

Indicate which of the following applies to the project. Check all that apply:

<input type="checkbox"/>	1. Leasing Budget Line Item (project-based)
<input type="checkbox"/>	2. Leasing Budget Line Item (scattered site)
<input type="checkbox"/>	3. Rental assistance Budget Line Item (tenant-based)
<input type="checkbox"/>	4. Rental assistance Budget Line Item (project-based)
<input type="checkbox"/>	5. Rental assistance Budget Line Item (sponsor-based)
<input type="checkbox"/>	6. Housing component not supported by leasing or rental assistance Budget Line Items (TH)
<input type="checkbox"/>	7. PSH project funded for services but no Budget Line Items for leasing or rental assistance (PSH)
<input type="checkbox"/>	8. Supportive Services Only (SSO)

Describe the leasing/rental assistance set-up for the project and how the project utilizes leases, subleases, occupancy agreements, etc.

For projects utilizing leasing funds, submit a sample of the sublease/occupancy agreement between the recipient or subrecipient and the program participant.

For projects utilizing rental assistance that is tenant-based, submit a policy or checklist that demonstrates how project staff reviews/evaluates leases to ensure the leases are in compliance with HUD guidance.

For projects utilizing rental assistance that is project-based or sponsor-based, submit the sublease or occupancy agreement between the sponsor agency and the program participant.

If applicable (#1 or #2 selected for project-based leasing BLI or scattered-site leasing BLI), verify that leasing funds are not used to lease units or structures owned by the recipient, subrecipient, their parent, subsidiary, or affiliated organization, unless granted an exception by HUD.

Yes, the project verifies the above statement.

No, the project does not verify the above statement and an exception has not been granted by HUD.

No, the project does not verify the above statement due to an exception granted by HUD.

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Please explain:

N/A – no leasing BLI

Criteria

- Program participants receiving permanent housing assistance, including permanent supportive housing and rapid rehousing, must have a legally binding, written lease (or sublease/occupancy agreement for PSH projects that utilize leasing funds) with a term of at least one year, terminable only for cause, and that is automatically renewable upon expiration for a minimum term of one month, except on prior notice by either party.
- Program participants receiving transitional housing must sign a lease, sublease, or occupancy agreement for a period of at least one month and it must be automatically renewable upon expiration, with a maximum term of 24 months.
- Leases, subleases, and occupancy agreements are generally required to include a number of components, including but not limited to dates, description of premises, rent, security deposit, other legal notices, conditions, and disclosures.
- Leases and occupancy agreements do not mandate participation in services.

Leases contain addendums with the following elements related to VAWA: 1) right for the lease to be broken without penalty, if the tenant qualifies for an emergency transfer, except for tenant based rental assistance, 2) language that protects individuals from being denied access to housing and/or evicted from their housing on the basis of or as a direct result of being a survivor, and 3) confidentiality requirements. Please note that HUD has not provided CoCs with an updated lease addendum template. All Chicago anticipates this criterion is a work in progress for many organizations.

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Attachment J: Rent Reasonableness Form & Procedure

Attach the following:

☰ All programs that utilize CoC funds to pay the rent for units or structures must submit a written procedure explaining the method used to determine rent reasonableness and the frequency with which it is conducted. Also submit a copy of the form(s) used by the program in this process.

Criteria

- Per [HUD guidance](#), the program determines rent reasonableness via one of the following methods: a market study of rents charged, a review of advertisements for comparable units, or written verification from property owners or management companies on letterhead affirming that the rent is comparable to that charged for similar unassisted units managed by the same owner.
- The program determines rent reasonableness by considering the gross rent of the unit and the location, quality, size, type and age of the unit, as well as any amenities, maintenance, and utilities provided by the owner. The program may use the [Rent Reasonableness Checklist and Certification](#).
- The written procedure includes use of case file checklists and forms, standards for certifying comparable rents as reasonable, staffing assignments, and strategies for addressing special circumstances. Project-based programs have a method of demonstrating that all units meet rent reasonableness.

Attachment K: Housing Quality Standards

Attach the following:

☰ The policy or procedure that outlines the frequency and other expectations of HQS inspections. Note: In general, all programs that provide housing that is supported with leasing or rental assistance funds under the CoC program must conduct HQS inspections for units.

☰ The form used to complete Housing Quality Standards inspections.

Criteria

- For housing that is supported with leasing or rental assistance funds under the CoC program, the program is expected to utilize the [HQS Inspection Checklist form](#) that HUD has posted to HUDEXchange resources [here](#) or utilize a form that contains all HUD-required elements.

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- Programs must abide by regulations set forth in 578.75 of the [CoC Program Interim Rule](#) and 24 CFR 982.401, including that a unit must be physically inspected prior to any assistance provided for the unit, assistance will not be provided for units that fail to meet HQS unless the owner corrects deficiencies within 30 days and the program verifies all deficiencies have been corrected, and units must be inspected annually.