

Red Tape Review Rule Report (Due: September 1, 2024)

Department Name:	IFA	Date:	5/8/24	Total Rule Count:	7
IAC #:	265	Chapter/ SubChapter/ Rule(s):	Chapter # 24	Iowa Code Section Authorizing Rule:	16.5, 16.55
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of chapter 24 is to describe the Home and Community-Based Services Rent Subsidy Program. The program is designed to provide rent assistance to help participants in certain other programs live in the community.

Is the benefit being achieved? Please provide evidence.

Yes, the authority is able to effectively award and administer rent subsidies through the program.

What are the costs incurred by the public to comply with the rule?

Applicants for the program could possibly incur minimal costs to document their eligibility, but most likely would have such documentation readily available.

What are the costs to the agency or any other agency to implement/enforce the rule?

IFA staff time is required to review and approve applications, disburse funds, and communicate with program participants.

Do the costs justify the benefits achieved? Please explain.

Yes. The program provides rent assistance to help participants in certain other programs live in the community.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The program requirements are no more than necessary to document initial and continuing eligibility of applicants and to effectively distribute funds.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes.

Rule 265.24.1 is unnecessary and should be eliminated.

Rule 265.24.2 should be updated for clarity.

Rule 265.24.3 should be updated for clarity and to reduce the number of restrictive terms.

Rule 265.24.4 should be updated for clarity, to remove language that is duplicative of statutory language, and to be consistent with the current application and approval process for the program.

Rule 265.24.5 should be updated to replace references to “applicants” with references to “recipients”. The rule should also clarify that payments may be made directly to a recipient’s landlord.

Rule 265.24.6 should be updated for clarity and to be more concise.

Rule 265.24.7 should be updated for clarity and consistent with current program practices.

Rules 265.24.2 through 265.24.7 should be renumbered due to the elimination of 261.24.1.

RULES PROPOSED FOR REPEAL (list rule number[s]):

265.24.1

***RULES PROPOSED FOR RE-PROMULGATION* (list rule number[s] or include text if available):**

CHAPTER 24
HOME AND COMMUNITY-BASED SERVICES RENT SUBSIDY PROGRAM

265—24.1(16) Definitions.

“*Applicant*” means a person aged 18 or over who participates in one of the home- and community-based services waiver programs, habilitation services, or Money Follows the Person.

“*Authority*” means the Iowa finance authority created in Iowa Code section 16.1A.

“*Habilitation services*” means an Iowa Medicaid program designed to provide home- and community-based services to Iowans with the functional impairments typically associated with chronic mental illnesses.

“*Home- and community-based services waiver program*” means any of the waiver programs administered by the department of human services under the provisions set forth in 441—Chapter 83, the habilitation services waiver, or Money Follows the Person.

“*Housing Choice Voucher program*” or “*HCV*” means the federal government’s program created in the Housing and Community Development Act of 1974, 42 U.S.C. ch. 69 § 5301 et seq. (1974).

“*HUD*” means the U.S. Department of Housing and Urban Development.

“*Legal guardian*” means a person lawfully invested with the power, and charged with the obligation, of taking care of and

managing the property and rights of a recipient who, because of age, understanding, or self-control, is considered incapable of administering the recipient's own affairs.

"*Money Follows the Person*" or "*MFP*" means Iowa's Money Follows the Person partnership for community integration program.

"*Program*" means the home and community-based rent subsidy program as defined and structured under this chapter.

"*Qualified dependent*" means the applicant's child who is claimed as a dependent of the applicant for federal income tax purposes.

"*Qualified rental unit*" means a housing unit subject to the provisions of Iowa Code chapter 562A and for which a signed written rental agreement exists.

"*Recipient*" means an applicant approved for and receiving rent subsidy payments under the program.

"*Representative payee*" means a person who is appointed for a recipient unable to receive and manage the recipient's own benefits due to mental or physical impairments. The representative payee is to use the benefits in the recipient's best interest and is personally liable for misuse of funds.

265—24.2(16) Eligibility requirements.

24.2(1) *Demonstrated need.* An eligible applicant will demonstrate need for rent subsidy by meeting all of the following requirements:

- a. The applicant will provide a copy of an executed rental agreement showing the applicant as a tenant, with signatures by the landlord and the applicant or the applicant's legal guardian;
- b. The applicant will provide evidence that the applicant pays more than 30 percent of the applicant's gross income for rent, with a minimum contribution of \$25 per month;
- c. The applicant will not receive any other rental assistance while receiving rent subsidy payments under the program;
- d. The applicant will not use this program to substitute for any other ongoing rent subsidy being received at the time of application to this program; and
- e. The applicant's rental unit must be a qualified rental unit and must not be owned by someone who lives in the unit.

24.2(2) *Ineligible for other rent subsidies.* An eligible applicant for rent subsidy payments under this program will have been determined ineligible for the HCV program, on the HCV program waiting list, or document that the HCV program waiting list is closed. If the HCV waiting list is currently closed, the applicant is responsible for monitoring the status of the waiting list application period and must apply at the first available opportunity and provide documentation of HCV application submission to the local public housing authority. If the authority determines an applicant failed to apply for HCV at the first available opportunity, the authority may remove an applicant from the program or the program waiting list.

265—24.3(16) Application. Applications for the program may be obtained on the authority's website. An applicant shall complete the application and provide all required documentation. For the purposes of this rule, the "application date" means the date the completed application, including all required documentation, is received by the authority.

24.3(1) The authority will review each completed application and determine whether the applicant is eligible for the program. The applicant may elect to have any of the following notified: legal guardian, case manager or representative payee.

24.3(2) The authority will maintain and administer a statewide waiting list for the program. When an application is received, the applicant will be placed on the waiting list according to the application date, unless the provisions of Iowa Code section 16.55 apply.

24.3(3) When funding allows additional applicants to be added to the program, the authority will request updated documentation from the next applicant on the waiting list, and each applicant's eligibility will be determined based upon the updated documentation. If the completed application is not received by the deadline specified by the authority, the applicant may be removed from the waiting list. If the authority determines an applicant is eligible for the program, the authority will notify the applicant of the amount of monthly rent subsidy within 30 days of making the determination.

265—24.4(16) Rent subsidy.

24.4(1) *Use of subsidy.* Assistance shall be used for rental expense.

24.4(2) *Maximum monthly payment for rent.* Assistance for rent will be equal to the lesser of the rent paid by the recipient or the current applicable fair market rent as published by HUD for the area where the recipient's residence is located, less 30 percent of the recipient's gross monthly income. The fair market rent used will be that for a one-bedroom unit or a proportionate share of the fair market rent in living units containing more than one bedroom. When the recipient resides with one or more qualified dependents, the proportionate share may consist of additional bedrooms, applying the same maximum monthly payment standard.

24.4(3) *Monthly payment.* Recipients approved for rent subsidy payments will receive an ongoing monthly payment equal to the amount determined pursuant to subrule 24.4(2). Payments may be made on behalf of a recipient directly to a recipient's

landlord.

265—24.5(16) Redetermination of eligibility.

24.5(1) Time of completion. A redetermination of eligibility for rent subsidy payments will be completed annually unless one of the following conditions occurs:

- a. A change in circumstances that affects eligibility in accordance with rule 265—24.2(16).
- b. The recipient moves from the residence stated on the approved application.
- c. There is a change greater than \$100 in the recipient’s gross monthly income.

24.5(2) Renewal notice. The authority will send a renewal notice to the recipient and, if applicable, recipient’s legal guardian, case manager or representative payee, at least 30 days before the annual redetermination deadline. The renewal notice will specify the annual redetermination deadline and the documentation that must be submitted to the authority.

- a. The recipient shall submit the completed application and required documents to the authority, as directed on the application.
- b. If the authority does not receive the completed application and required documents by the annual redetermination deadline, the recipient’s rent subsidy will be terminated.

265—24.6(16) Termination of rent subsidy payments.

24.6(1) Reasons for termination. The authority may terminate the rent subsidy, at the end of the month in which any of the following occur:

- a. The recipient does not meet one or more of the eligibility criteria listed in rule 265—24.2(16).
- b. Completion of the required documentation is not received by the deadline established by the authority. The recipient fails to submit documentation pursuant to rule 24.5(2).
- c. Rent subsidy program funds are exhausted for the fiscal year.
- d. The recipient, case manager, legal guardian or representative payee threatens physical violence or injury toward authority staff.
- e. The recipient provides false information.
- f. The recipient, legal guardian or representative payee misuses rent subsidy payments for purposes other than rent assistance.
- g. The recipient is not in compliance with any other programs offered or administered by the authority while receiving rent subsidy payments.

24.6(2) If the authority terminates a recipient’s rent subsidy, the authority will notify the recipient in writing.

24.6(3) Reporting of changes. The recipient or the recipient’s legal guardian or representative payee, as applicable, is required to report to the authority any changes that may affect eligibility within 10 business days of the occurrence of the change, including changes in circumstance listed under subrule 24.5(1). Failure to do so may result in the recipient’s responsibility to repay rent subsidy funds dating back to the recipient’s failure to report the change and termination of the rent subsidy.

These rules are intended to implement Iowa Code section 16.55.

***For rules being re-promulgated with changes, you may attach a document with suggested changes.**

METRICS

Total number of rules repealed:	1
Proposed word count reduction after repeal and/or re-promulgation	237
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	24

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.