**The Next Step Program**

I. **INTRODUCTION**

In order to undertake the Next Step Program with funds from the HOME Program, the Berks County Redevelopment Authority (RA) certifies that tenant-based rental assistance is an essential element of its approved Comprehensive Housing Affordability Strategy (CHAS) and its Consolidated Plan.

The Next Step Program has been established for persons coming out of transitional housing facilities, domestic abuse shelters, emergency shelters, community living arrangements, community rehabilitation residences and similar facilities. The program is intended for those persons who are ready to take the next step from living in a shelter or transitional housing facility to a living arrangement that is almost entirely independent. The Next Step program provides assistance for a temporary period of two years. During this time clients of the program, with the help of sponsoring social service agencies, will be expected to take positive steps toward self-reliance in return for the rental assistance that is provided. Clients of the program are not restricted by any municipal boundaries and may seek housing anywhere within Berks County.

II. **PROGRAM BENEFITS**

The RA proposes to provide tenant-based rental assistance through the Next Step Program in a manner that best allows for a smooth transition for persons coming out of transitional housing facilities, domestic abuse shelters, emergency shelters, community living arrangements, community rehabilitation residences, and similar facilities. If the client becomes eligible for the Section 8 Rental Assistance Program while in the Next Step Program they will be given the option of transferring to that program.

A. **Who is Eligible for Assistance**

Applicants shall be persons coming out of transitional housing facilities, domestic abuse shelters, emergency shelters, community living arrangements, community rehabilitation residences or similar facilities that meet the eligibility of the Program.

B. **Assistance Provided**

The RA will provide rental assistance through the Next Step Program in a manner that best allows for a smooth transition for the applicant to the Next Step Program, and if applicable to the Section 8 Rental Assistance Program. Wherever possible, policies and procedures of the existing Section 8 Program will be incorporated into the Next Step Program. The following describes the assistance that will be provided:

A flat rental assistance payment will be paid to the landlord on behalf of the Next Step tenant in an amount that will range from $290 to $395 per month. The tenant must pay at least 30% of their gross adjusted income towards rent and utilities. The maximum amount of subsidy
will vary according to the size of the housing unit as follows: One bedroom - $290; Two bedroom - $325; Three bedroom - $360; and Four bedrooms or more - $395.

A security deposit payment, to the owner, in a maximum amount of $290 to $395 based on unit size. The tenant shall pay any additional money required as a security deposit. The amount of Next Step assistance provided for the security deposit may not exceed the equivalent of two months rent for the unit.

There will be no assistance for vacancy claims or damage claims.

The assistance will be mailed to the participant's landlord who has signed a contract with the RA.

The assistance will terminate in twenty-four (24) months, or earlier, when any of the following occur: a) Section 8 assistance begins (the tenant will have the option to transfer to the Section 8 Program as assistance becomes available.); b) the participant terminates his or her lease for reasons other than the property not meeting the Section 8 Housing Quality Standards; c) the household income exceeds the maximum income limits as revised from time to time; d) the participant commits fraud or gives fraudulent information to the RA; e) the participant engages in drug related activities or in violent criminal activities; or f) the participant fails to cooperate in taking the promised steps toward independent living and is recommended for expulsion from the Next Step Program by the social service sponsor.

C. How Money is Allocated

The RA shall receive a referral letter from the agencies providing services to persons coming out of transitional housing facilities, domestic abuse shelters, emergency shelters, community living arrangements, community rehabilitation residences and other similar facilities. At the initial start up of the program agencies will be asked to provide candidates who in the next three (3) months are projected to leave a facility and will be in need of Next Step assistance. All candidates applications must be accompanied by an agency sponsorship letter and a self-sufficiency case management plan. If the total number of applications exceeds the projected number that can be assisted the RA will maintain a waiting list to determine the order in which it will provide assistance. Following the initial start up, assistance shall be provided on a first-come, first-served basis and will be based on a waiting list that shall be maintained by time and date of application.

D. Number of Families to be Assisted

Based upon the initial allocation of $130,000.00 and a projected average subsidy of $400.00 per month and the projected turnaround rate, the Program anticipates assisting 30 families.

E. Self-Sufficiency Case Management Plan

Each sponsoring social service agency shall submit a self-sufficiency case management plan which shall contain at a minimum the following information:
Next Step Readiness Assessment - The purpose of this assessment is to document the applicant's past history of accomplishments that have led to their candidacy for Next Step assistance. In this assessment the agency must describe the prior steps taken by the applicant toward self-reliance. The description shall include the status of the applicant when they were first seen by the agency and the positive steps toward independent living the applicant has taken since that time. The agency shall also describe the services or supports the applicant is currently receiving or has been provided.

Goal Identification and Action Plan - The agency shall describe the goals the applicant desires to accomplish together with a detailed list of the actions the applicant will be expected to carry out during their involvement with the Next Step Program. An estimated timetable for the completion of these actions over a two year period should also be included.

III. PROCEDURES

A. Conditions Governing Eligibility

Eligibility for Admission: The RA will admit as participants for the Next Step Program, applicants who at the time of admission meet all of the following requirements:

**Who qualify as a family** (see definition).

Who have been sponsored by an agency which certifies that the family is coming out of a transitional housing facility, domestic abuse shelter, emergency shelter, community living arrangement, community rehabilitation residence or facility of a similar nature.

Who have a self sufficiency case management plan that has been developed by the sponsoring agency and meets the minimal case management plan requirements as set forth in Section II, E.

Whose eligibility income (as defined by the Section 8 Existing/Voucher Program) does not exceed the amounts set forth by HUD. See Exhibit I. for current income limits.

B. Issuance of Next Step Housing Vouchers

If an applicant is determined by the RA to be eligible and selected for participation, he shall be given a Next Step Housing Voucher signed by the Housing Authority. This Voucher will provide the applicant a choice in selection of a unit anywhere in Berks County. At the same time, the family shall be given a Next Step Program packet. The Housing Authority shall issue Next Step assistance, pending receipt of verification of applicants statements and incomes under the following conditions:

Each eligible applicant selected shall have the right of participation in the Next Step Program for a period not to exceed 24 months or earlier upon availability of a Section 8 Certificate or Voucher. If the Section 8 Certificate becomes available to the tenant, they shall have the right
to choose accepting that Certificate or waiting until a Voucher becomes available. However, in no event shall the assistance from the Next Step Program last beyond 24 months.

Clients of the Next Step Program will be qualified for Federal preferences at the time they enter the Next Step Program in the same manner as the Federal preferences of the Section 8 Program. Federal Preferences (as defined by 24 CFR part 882.219) include: a) Involuntarily Displaced; b) Living in substandard housing; c) Paying more than 50% of gross family income for rent and utilities; d) Homeless; and e) Victim of actual or threatened physical violence by a spouse or other member of their household. In the event that client does not qualify for federal preferences at the time of application the sponsoring agency shall provide an opinion that states the family would qualify in the near future under federal preferences without the assistance provided by the Next Step Program. If the client fails to qualify under either of the above criteria a waiver may be requested. The grant of a waiver will be restricted to a maximum of thirty percent (30%) of the clients in the Next Step Program.

Applicants who engage in drug-related criminal activities, or in violent criminal activities will not be considered eligible for participation in the Next Step Program.

An applicant on the Next Step Program waiting list will be given two opportunities for an enrollment interview. If no attempts to appear for the appointments are made, or no contact is made by the applicant within this period, the application will be withdrawn. The applicant will be notified that their application is withdrawn and has the right to, within ten (10) calendar days, request an informal review. If an applicant is determined by the Housing Authority to be ineligible on the basis of income or family composition, or for any other reason, the Housing Authority shall promptly notify the applicant by letter of the determination and the reasons therefore, and the letter shall state that the applicant has the right within ten (10) calendar days to request an informal review. If, after conducting such an informal review, the Housing Authority determines that the applicant is ineligible, it shall so notify the applicant in writing. The procedures of this paragraph do not preclude the applicant from exercising their other rights if they believe they are being discriminated against on the basis of race, familial status, color, handicap, creed, religion, sex or national origin. The Housing Authority shall retain for three (3) years a copy of the application, the notification letters, the applicant's response, if any, the record of any informal review, and a statement of final disposition.

C. Briefing of Voucher Holders

When a family initially receives a Next Step Housing Voucher, a full explanation of the following shall be provided to assist the family in finding a suitable unit, and to apprise the family of its responsibilities and the responsibilities of the owner (this may be done either in group or individual sessions; adequate opportunity shall be provided for families to raise questions and to discuss information provided):

- Family and owner responsibilities under the lease and contract;
- How to find a suitable unit;
D. Expiration and Extension of Voucher

The Next Step Housing Voucher shall expire at the end of sixty (60) days unless within that time the family submits a request for lease approval. If a Voucher expires or is about to expire, a family may submit to the RA a request for an extension. The RA shall review the efforts the family has made to find a suitable dwelling unit, and the problems it has encountered, and shall determine what advice or assistance might be helpful. If the RA believes that there is a valid reason, the RA may grant one or more extensions not to exceed a total of sixty (60) days. The basis for voucher extensions will be as follows:

- An Equal Opportunity Complaint has been filed by the applicant.
- The applicant has found a unit which they think meets the program housing standards, but is unable to secure the signature of the landlord on the lease because the Landlord is not obtainable at the time.
- The applicant is hospitalized, or is physically disabled which limits their ability to find a dwelling unit.
- The applicant has a unit and the unit or lease has failed to receive the RA's approval. Provided, however, that further extensions may be granted if the Housing Authority specifically determined that the family's failure to find a suitable unit is not due to the fault or lack of diligence of the family. A determination by the RA that no further extensions should be granted shall not preclude the family from remaining on the Section 8 Waiting List for a Certificate or Voucher.

E. Continued Participation When Assisted Family Moves

If an assisted family notifies the RA that it wishes to obtain another Next Step Voucher for the purpose of finding another dwelling unit, or that it has found another unit to which it wishes to move, the RA shall not transfer the voucher to another unit until the end of the lease term.

Persons who participate in the Next Step Program must reside within Berks County to receive the assistance. No requirement or preference will be based upon the length of time the applicant has resided in the jurisdiction. No family can hold a Section 8 Housing Voucher and a Next Step Housing Voucher at the same time.

F. Eligibility for Continued Participation

Only those families meeting all of the following requirements will be considered eligible for continued family participation:

- Applicable housing quality standards and procedures for family and owner inspections;
- Significant aspects of the applicable State and Local Laws; and
- Significant aspects of Federal, State and Local fair housing laws.
Who qualify as a family or the remaining member of a tenant family as defined herein and who are income eligible per Next Step Program guidelines. Should the family income exceed income limits, the family shall not be terminated until the end of the lease term.

Is in compliance with the terms and conditions of the Next Step Housing Voucher which is considered in effect as long as the family is participating in the program.

G. Computation of Next Step Payments

The maximum amount of the Next Step Program Payment shall be from $290 to $395 per month based on size of the rental unit. This amount may be adjusted in order to meet the requirement that the tenant pay at least 30% of their adjusted gross income towards rent and utilities.

The current Section 8 Utility Allowances will be used to determine solely whether the monthly rent the landlord is charging plus the allowances for the utilities the tenant has to pay falls within the current Next Step Program Payment Standards.

The Next Step Rent Standards shall be 165% of the current Section 8 Existing Fair Market Rents established by HUD for the Reading Metropolitan Statistical Area.

H. Lease Approval and Initial Inspection

All leases must comply with the requirements set forth for the federal HOME program and other applicable State and local requirements. When a family has selected an appropriate unit they shall submit the lease to the Redevelopment Authority. The landlord and family will be notified if any changes to the lease must be made as a result of the Authority’s review. If a lease cannot be negotiated that is acceptable to all parties then the family will be instructed to seek another unit.

Prior to approving a lease, the RA shall inspect the unit for compliance with the housing quality standards as established in accordance with HUD regulations for the Section 8 Program, or cause it to be so inspected on the date on which the owner indicates that the unit will be ready for inspection, or as promptly as possible thereafter. A report for every inspection and reinspection under this policy shall be prepared and maintained in the files of the RA.

I. Periodical Inspection

The Housing Authority will inspect, or cause to be inspected, each dwelling unit leased to an eligible family at least annually and at such other times as may be necessary to assure that the owner is meeting his obligations to maintain the unit in decent, safe and sanitary condition, and to provide the agreed upon utilities and other services. The RA will take into account complaints and any other information coming to its attention in scheduling inspections. All complaints by families concerning compliance by the owner with the Next Step housing quality standards shall be retained in the RA files for three (3) years. Failure of a Landlord to
comply with the requirements to keep the unit in decent, safe, and sanitary condition at all times within a reasonable time limit established the Housing Authority for any corrections, shall constitute a breach of contract and the Next Step Program shall immediately be terminated as of the last calendar day of the month in which the deficiencies were to have been corrected. The tenants shall keep their place on the Section 8 Waiting List and can transfer the Next Step Program assistance to another acceptable unit. However, participation in the Program cannot exceed twenty-four (24) months total assistance.

J. Informal Review

Applicants may request an informal review of any RA decision denying listing on the Next Step Program Waiting List, issuance of a Next Step Housing Voucher, participation in the Next Step Program or termination or denial of Next Step assistance. The written notice of a decision denying assistance shall state the applicant's right to request an informal review.

The RA's written notice of a decision will give the participant ten (10) calendar days in which to request an informal review. Informal review procedures will occur as follows:

A written request will be submitted by applicant or participant.

Review will be conducted by a person designated by the RA other than the person who made, or approved, the decision, or a subordinate of such person within a reasonable time after the request is received.

The applicant may present written, or oral, objections to the Housing Authority's decision.

The RA will promptly notify the applicant in writing of the final RA decision after the informal review. This will include a brief statement of reasons for final decision.

K. Vacancy Claims

There will be no vacancy claims to the landlord in the Next Step Program.

L. Termination of Next Step Program Assistance

Participants who have committed fraud and have given fraudulent information to the RA will be terminated from the Next Step Program and will not be allowed future participation in any housing program operated by the Redevelopment Authority of the County of Berks.

Participants who engage in drug-related activities, or in violent criminal activities, will be terminated.

Participants whose income exceeds Next Step Program income limits will be terminated at the end of the lease term.
Participants who fail to comply with family responsibilities and program regulations will be terminated.

Participants will be ineligible for the Next Step Program who begin receiving assistance through the Section 8 Certificate/Voucher Program or any other Federally subsidized assistance program.

M. Monitoring of the Self-Sufficiency Case Management Plan

Each sponsoring social service agency shall submit progress reports for each Next Step client they have sponsored. The report shall assess the performance of the client in meeting the goals set forth in the self-sufficiency case management plan. The reports shall be submitted 6 months, one year and 18 months after the client begins receiving Next Step assistance. The report shall also contain the agency’s recommendation of whether the client has made sufficient progress and should continue to receive Next Step assistance. After two years or upon discharge from the Next Step Program, a final evaluation report will be submitted which shall summarize the clients current status and progress toward independence as a result of the Next Step Program.

N. Records

The Redevelopment Authority shall maintain the following records and/or documentation in each participant's file:

- Application Form
- Income Documentation
- Next Step Program Tenant Eligibility Certification and Program Requirement
- Section 8 Housing Quality Standards Inspection Form
- Next Step Voucher Contract
- Lease
- Federal Preference Verifications, if applicable
- HUD Form 40095
- Income Recalculations/Verifications
- Section 8 Housing Quality Standards Re-Inspection Form