



## HSH Nonpayment of Rent Guidance

### Introduction:

The goal of HSH-funded Permanent Supportive Housing (PSH) is to stabilize formerly homeless individuals and families in housing and help them to avoid returns to homelessness.

These guidelines and best practices are offered to assist the three primary parties involved in PSH, (1) the Tenant moving into the unit, (2) the Case Manager who is providing support to the Tenant, and (3) the Property Manager who oversees the unit and property the Tenant is moving to. The Guidance offers best practices and structured support for the primary parties when dealing with nonpayment of rent, with the goal of supporting Tenants to come into compliance with the rent payment provisions of the lease in order to remain in housing, while acknowledging that on occasion eviction for nonpayment of rent may be unavoidable.

These three primary parties must work together during the Tenant's stay. The following sections speak to each party's role in ensuring the Tenant is set up for success at each of the five steps in the PSH housing retention process: (1) completing an application, (2) entering a lease, (3) reinforcing, or following the lease and rent collection, (4) ongoing supports, and (5) eviction prevention.

These guidelines meet HUD's (Housing and Urban Development) Continuum of Care (CoC) Program provisions, 24 CFR [§578.77](#) and use national best practices as a foundation. Understanding that HSH providers have existing internal practices, these guidelines are offered as assistance in setting your organization's internal policies and procedures. HSH will continue to support a continuity of care between all PSH Providers.

### Guidelines for Property Management:

- **Application Process.**

When desired, an application can be offered by the property manager to begin the rental application process with the future Tenant. Property Managers should coordinate with Case Managers, or other designated supportive housing staff to assist with completing applications, as the Tenant needs. The Property Manager should explain the application process and all property requirements to the future Tenant. When applicable, applications should be pre-approved, and if relevant the Request for Tenancy Approval (RTA) should be submitted prior to the HQS inspection.

When applicable, or mandated by CoC requirements, a Housing Quality Standards (HQS) inspection should take place prior to the lease signing.

The Property Manager and future Tenant should walk the actual unit together prior to lease signing.

- **Entering a Lease.**

The Property Manager should inform the Tenant how rent is calculated (not to exceed 30% of Tenant's monthly adjusted gross income), how and when rent can be adjusted, the date rent is due each month and review other key areas of the lease to ensure all parties understand roles and responsibility.

Acceptable methods of rent collection (direct deposits, check, money order, mobile app, etc.) and preferred delivery method (in person, drop box, mail, etc.) should be established and clear. Property Managers should have easily accessible ways to pay rent for all tenants; providing flexibility and a variety of payment methods can help to incentivize a timely rent payment. Discussion of late fees (if applicable) should also occur.

The lease signing should include an introduction to the support services team, and other relevant site staff including front desk clerks and facilities staff whenever possible.

- **Enforcing Lease and Rent Collection.**

Property management's primary role is housing retention, rent collection, property maintenance and upkeep, community building, enforcement of the lease, maintaining positive relationships with neighbors, and promoting a safe environment for all Tenants to enjoy the property. Property Managers must provide clear updates to the designated support services staff in regularly scheduled coordination meetings to inform them of all payment plans, late-rent notices, and 3-day or other legal actions. In this way, support staff can outreach and attempt to engage Tenants whose housing is in jeopardy. Property Management is also required to provide copies to support services of all payment plans, warnings, notices, etc. to tenants that may impact housing stability.

Property Management should keep accurate and timely records of all rent payment contributions from HSH, other subsidy sources, and the Tenant. Property Management should deposit all rent payments in a timely manner, ideally within 7 days.

Property Managers should work collaboratively with HSH, and Support Service team members, along with other community partners to support on-time rent payments. Providers should employ their methods of choice to remind and encourage timely rent payments (e.g., raffles, community celebrations, support services monthly calendar, etc.)

- **Ongoing Supports.**

Direct, timely, respectful and trauma-informed conversation and coordination between Property Manager and Tenant helps ensure housing stability. Property Managers should hold regular drop-in hours for residents to discuss housing issues. Support services should be encouraged, but not mandated to attend.

When applicable, Property Manager should coordinate with HSH, and the supportive services team to complete annual income recertification in a timely manner to prepare the Tenant for any rent contributions changes. This should be done 120 days prior to lease renewal or annual recertification date.

Supportive Housing staff and Property Management staff should engage in regular coordination meetings to discuss the following key topics critical to sustaining housing. Some items of importance to discuss ongoing are safety concerns (on-going behavior in violation of the leasing agreement/house rules and/or behavior that jeopardizes the right to quiet enjoyment and safety of others), late rent (Tenants whose housing is in jeopardy due to failure to pay rent or comply with authorized payment plans), and community activities (intended to and/or resulting in community building within the supportive housing site and/or the surrounding community).



- **Eviction Prevention.**

Property Managers should provide timely notice of late rental payment via a written notice sent directly to the Tenant. The Property Manager should also bring the situation to the Case Manager's attention during coordination meetings and/or via a copy of the late notice. Property Managers should actively follow up with Tenant in person or the Tenants preferred method of communication and preferred language to discuss the late rent.

Payment plans should be proactively offered to Tenants who have past due rental arrears in efforts to help Tenant maintain stable housing. Payment plans should be flexible and customizable depending on the Tenant's need and should not exceed 10% of their monthly income. This mutually agreed-upon plan must be documented and signed by Tenant and Property Manager and a copy should be provided to the Case Manager to support compliance. Payment plans should be offered at the initial onset of past due rents.

Property Managers and Case Managers should work together to offer and assist Tenants who have past due rental payments the opportunity to apply for rental assistance programs that they may qualify for.

When able, Property Managers should provide flexible rent due dates. For example, if a tenant's SSDI income is directly deposited on the 5<sup>th</sup> of each month, the Property Manager should consider moving that Tenant's rent due date to the 6<sup>th</sup> of each month. If changed from the initial lease agreement, the adjusted rent due date must be documented in writing and signed by all parties. Property Managers are also encouraged to accept partial rent payments, in particular if the Tenant is working to establish a payment plan.

Property Manager should offer Tenants who fail to regularly pay rent on time or fail to comply with a repayment plan the opportunity to initiate a third-party payment system to assist in timely payment. The Case Manager should assist the Tenant to enroll in the third-party payment program.

Traditional housing managers generally begin legal action to terminate tenancy for nonpayment of rent when rent is not paid by the due date specified in the rental agreement. Alternatively, supportive housing owners are encouraged to implement written policies that allow Tenants to enter payment plans, authorized by designated personnel only, to address delinquent rent. Any policy implemented must be equally available to all Tenants on the property, regardless of rental funding source. The legal process of eviction for non-payment of rent should not start prior to the resolution of the internal process established by the Property Manager and in accordance with Housing First best practices including guidelines in this document.

- **Eviction Process due to lack of rent payment.**

Eviction should always be a last resort and never implemented until Property Management and Supportive Services have coordinated to offer all available support to help the Tenant maintain housing. Property Management should have systems of checks and balances with supervisor and/or Executive Team member sign off to ensure that all options have been exhausted before proceeding with an eviction. A designated staff member\ of the Property Management and Supportive Service team must review and take under consideration the Tenant's unique situation to ensure all prevention measures have been taken.



After the Property Manager and/or Case Manager exhaust all methods of engagement for rent payment, the designated staff member/s can request eviction to proceed. The suggested timing of when to start the eviction process for nonpayment of rent is not before three months, but no later than six months from the date the Tenant missed their first rental payment. If the Tenant has an accumulation of past due rent equaling to six months of rent or three consecutive months of rent nonpayment, and all methods of engagement to forestall eviction have been exhausted, the designated staff member/s can request eviction process to begin. When entering into the eviction process, Property Managers should proceed with the intent to settle with a stipulated agreement whenever feasible. The stipulated agreement should be tailored to the Tenant's situation and pave a path for the Tenant to succeed.

Enrolling in mandatory repayment plan and third-party payee services can be a way to avoid eviction. Property Managers should offer Tenants in good standing, other than nonpayment of rent, money management support at the first instance of nonpayment of rent, or when they deem appropriate. If the Tenant agrees to a third-party payee, that agreement should be incorporated as an appendix to the lease. If the Tenant is already engaged in an eviction proceeding, mandatory enrollment in third-party payee services may also be stipulated as a condition of remaining in the unit.

All efforts must be made to avoid eviction of Tenants purely for nonpayment of rent.

### **Guidelines for Case Management**

With the understanding that support services are optional and voluntary in nature for all tenants, the following guidelines and best practices are offered:

- **Completing an Application.**

A housing inspection, when applicable, and unit walk through should take place prior to the lease signing, and the condition of the unit documented. The Property Manager, Case Manager or other supportive service staff and future Tenant should walk the actual unit to be leased.

During this phase, an application can be completed with the future Tenant. The Case Manager or Housing Navigator should attend to assist with completing the application. The Property Manager should explain the application process, and any property requirements.

Case Managers are expected to do outreach and engage with new tenants during the move-in process, building trust, doing assessments for various needs, recognizing residents' strengths, and educating them about tenant rights and responsibilities.

The Case Manager should review the future Tenant's income and work with the Tenant to create an honest budget about expenses, tailored with rent contribution added in, upon move in. This kind of planning and open communication about rent contribution is essential at the start. Talking about money can be difficult, however it is best to create an environment of understanding and no judgment when reviewing finances and planning for rent payments. Case Managers can review options for rent payee services if the Tenant wants that assistance or expresses concern about rent payment management. In addition, case management should review with the Tenant the method they will be using to pay rent and if any support is needed.

- **Entering a Lease.**



Case Managers must communicate program eligibility and other specifics of their organization's policies, so the Tenant has a clear understanding of PSH, their income\budget plan, rent responsibility and housing stability goals. When able, the Case Manager or other supportive housing staff should be present for the lease signing in efforts to introduce Tenant and answer questions.

- **Reinforcing\Following Lease and Rent Collection.**

Case Management should proactively engage with Tenants to discuss housing stability goals, including rent payment and budget. For Tenants struggling to pay rent on time, Case Managers should focus on problem-solving by giving a few examples of creative ways to adhere to a budget and setting realistic budgeting practices to pay rent.

If the Tenant is struggling with paying rent on time, consider supporting the Tenant to enter into a payment plan with the Property Manager, or offer third party money management. The plan could include the Case Manager scheduling a visit with the Tenant on the day the Tenant receives the income and assisting with rent payment during that time. The goal is to think through all solutions to reduce potential eviction.

- **Ongoing Supports.**

Ongoing Supports and safe, habitable units are essential to support rent payment, housing stability and community belonging. Case Managers and Tenants can work together when Tenant monthly income arrives via direct deposit into their accounts (typically SSDI, SSI etc.) to budget and plan, or actively meet throughout the month to discuss housing stability, where timely rent payment is essential. If a Tenant doesn't have any income, Case Managers should support Tenants in applying for all eligible benefits and/or to get employment.

Case Managers should be knowledgeable about community resources and how to refer Tenants, as needed, for money management and other needed supports. Using outside resources for rental arrears can be beneficial depending on the Tenant's situation and resource eligibility.

- **Eviction Prevention.**

Supportive Services staff and Property Management staff should engage in regular coordination meetings to discuss the following key topics critical to sustaining housing. Some items of importance to discuss ongoing are safety concerns (on-going behavior in violation of the lease agreement/house rules and/or behavior that jeopardizes the right to quiet enjoyment and safety of others), late rent (Tenants whose housing is in jeopardy due to failure to pay rent or comply with authorized payment plans), and individual and community activities (intended to and/or resulting in community building within the supportive housing site and/or the surrounding community). These meetings should provide opportunities to creatively problem solve and plan to help maintain stability of Tenants.

Linking Tenants to needed services and supports that promote housing stability is a key role of Case Managers in PSH. Case Managers must offer the Tenant the support to identify factors that may contribute to housing instability and refer the Tenant to responsive services, such as in-home care, hoarding and cluttering support, public benefits, money management services, and physical and behavioral health services. If a Tenant is on a stipulated agreement, Case Managers should engage with the Tenant to offer support and referrals that can help them to maintain their housing.



## **Guidelines for the Tenant:**

### **1. Completing an Application.**

When possible, the Property Manager and Supportive Service staff should be available to assist with completing the application, depending on the need of the future Tenant and staff availability. By the end of the application process, the Tenant should fully understand the cost of the unit, and their potential rent contribution, as well as how to request a rent adjustment if their income decreases. A clear budget should be completed to help the Tenant better understand how much funds will need to be saved for rent each month.

### **2. Entering a Lease.**

Tenants should agree and understand that they are entering into a lease agreement with the Property. In most cases, leases, subleases, or occupancy agreements must be 12 months and specify Tenant contribution to rent, and subsidy contribution to rent based on stated rent rate and Tenant income. As a best practice, during the lease signing, the Tenant, Case Manager, and Property Manager should be present to discuss the lease and answer questions. Lease signing should be scheduled at a convenient time for the future Tenant.

### **3. Following Lease and Rent Payment.**

A Tenant's key responsibility is to pay rent according to the lease agreement and to promptly inform the Property Manager of any changes in income so their rent can be adjusted. Decreases in Tenant rent contribution can be effective immediately. However, an increase in Tenant rent contribution, due to increased income, would be in effect 60 days after notification.

Tenants should understand their lease and be given opportunities to ask questions about any concerns. Tenants should follow the property requirements as agreed to in the lease. Tenants should pay their portion of rent by the stated date in the lease and understand nonpayment guidelines.

Tenants should reach out to property management as soon as they know that they will not be able to pay their rent on time to arrange for a payment plan. They should also contact their Case Manager for support with money management, budgeting and arrear rent payment services.

### **4. Ongoing Supports.**

Tenant collaboration, engagement, and partnership are important and critical to successful housing. Tenants should connect with the Case Manager regularly to identify goals and housing stability. Case Managers should have a variety of community resources they can connect Tenants to. Tenants should report unit damages, repair needs, and wear and tear as soon as possible to the Property Manager. Tenants should report income changes to Property Management and their Case Manager to ensure Tenant is paying 30% of their income. Tenants should recertify income prior to lease renewal. Case Managers should support Tenants with communications with Property Management and resources for increasing income and benefits.



## 5. Eviction Prevention.

Tenant communication is the most effective tool in preventing eviction for non-payment of rent. Tenants should keep in regular communication with their Property Manager and Case Manager or other support team members to report things like income changes, or trouble paying rent on time, and any other topics they would like to discuss. Tenants can also actively seek out other community resources for financial services such as budgeting and a payee service, if unable to pay their rent portion in full.

### Money Management Resources:

- 1. Lutheran Social Services**  
191 Golden Gate Ave. San Francisco, CA 94102  
415-581-0891  
\*Money Management Services
- 2. Tenderloin Housing Clinic**  
126 Hyde St. San Francisco, CA 94102  
415-885-3286  
\*Modified Payment Program
- 3. San Francisco Department of Disability & Aging Services**  
General Information  
415-355-3555  
\*Representative Payee Services
- 4. Conard House, Inc.**  
1385 Mission Street, Suite 200 San Francisco, CA 94103  
417-864-7833  
[reppayee@conard.org](mailto:reppayee@conard.org)
- 5. Bayview Senior Service**  
1753 Carroll Avenue, San Francisco, CA 94124  
415-647-5353  
\*seniors only
- 6. Lutheran Social Services of Northern California**  
191 Golden Gate Ave, San Francisco, CA 94102  
415-581-0891  
\*HIV/AIDS only: AIDS Financial Services (AFS) In order to qualify for this program, an individual must provide a letter of diagnosis, proof of low income (< 400% of the Federal Poverty Level), and proof of San Francisco residency.
- 7. San Francisco Human Services Agency- Public Conservators Office**  
The Representative Payee Program  
**415-355-3555**  
415-557-6354  
\*not accepting new referrals

