Leasing	Rental Assistance
The recipient or subrecipient must be the tenant of the landowner or sublessor	Program participant must be the sole party on the lease with the landowner or sublessor
The program participant must either be the sublessee of the recipient or subrecipient OR have an occupancy agreement with the recipient or subrecipient	The recipient, subrecipient or rental assistance administrator must have a written agreement with the landowner or sublessor governing the payment of rental assistance.
The recipient or subrecipient must pay rent directly to the landowner or sublessor based on actual costs	The lease requires the program participant to pay rent directly to the landowner or sublessor based on the income calculation
Occupancy charges imposed on the program participant are capped at the income calculation set forth in §578.77	The administrator of the rental assistance must be a State or local government, or a PHA
The recipient or subrecipient is responsible for 100% of the rent or sublease rent to the landowner or sublessor, even if the program participant does not pay the occupancy charge in a given month	The recipient, subrecipient, or rental assistance administrator must make rental assistance payments to the landowner or sublessor based on the difference between the total rent and the amount paid by the program participant
The recipient or subrecipient can pay rent on a vacant unit	The recipient, subrecipient, or rental assistance administrator is not responsible for the portion of the rent paid by the program participant if the program participant misses a rent payment in any given month
Leasing dollars do not have a matching requirement	The recipient or subrecipient or rental assistance administrator cannot make rental assistance payments on a vacant unit
	The recipient or subrecipient must provide match for rental assistance funds

Leasing

Which program components allow Leasing costs? (§ 578.49(a))

Leasing costs are eligible under the Permanent Supportive Housing (PSH), Transitional Housing (TH), and Supportive Services Only (SSO) components.

Recipients and subrecipients may choose to use CoC Program funds to lease a structure or a portion of a structure that will be used for PSH, TH, or SSO projects. Leasing funds may also be used to lease individual housing units for TH or PSH.

Leasing funds can pay for the following activities:

- Rent for the unit or structure (§ 578.49(b)(1))
- Security deposits for up to 2 months (§ 578.49(b)(4))
- First and last month's rent (up to one month each, allowed as an advanced payment) (§ 578.49(b)(4))
- Staff or related costs to carry out leasing activities including conducting Housing Quality Standards (HQS), paying landlords, etc.
- Payments on unoccupied units while identifying a new program participant

What entity/party enters into the lease?

The lease for the unit or structure is between the recipient or subrecipient and the property owner. The recipient or subrecipient enters into a sublease or occupancy agreement with the program participant.

Rental Assistance

What program components allow rental assistance costs? (§ 578.51)

CoC rental assistance funds can be used in Permanent Supportive Housing (PSH), Rapid Re-housing (RRH), or Transitional Housing (TH) to pay a portion of the rent. The length of time rental assistance can be provided varies depending on program component:

- Short-term (up to 3 mos.) or medium-term (4-24 mos.) – RRH, TH

Rental Assistance Budgets

How is the rental assistance budget line item determined? (§ 578.51(f))

The rental assistance budget line item is based on:

Number of units x Fair Market Rent (FMR) x Number of months in the grant term

For example, a program that rents ten one-bedroom units for a year would develop a rental assistance budget based on the monthly one-bedroom Fair Market Rent for 12 months multiplied by the total number of units.