

CITY OF AMES COMMUNITY DEVELOPMENT BLOCK GRANT RENTER AFFORDABILITY ASSISTANCE PROGRAM GUIDELINES



This program aims to assist low-income households with security/utility deposits and/or up to two months' rent. It is limited to the city limits of Ames and subject to the availability of funds. This is not an emergency assistance program.

A. Type and Use of Assistance Available

The following assistance is available through this program:

1. The funds may only be used for security/utility rental deposits and/or up to two month's rent.
2. Participants who will be receiving any type of ongoing housing subsidy are not eligible for the rent assistance. However, Section 8 Housing Choice Voucher Holders may receive pro-rated rent assistance before beginning their participation in the Section 8 Program, pending the unit's eligibility.
3. The maximum amount of assistance for a household is up to \$4,500.00 for all forms of assistance. However, the assistance provided will not exceed the amount needed.
4. Applicant(s) will be responsible for any assistance provided that exceeds \$4,500.00 and/or for any pro-rated rent. Applicants will need to provide proof that the additional amount and/or pro-rated rent has been paid.
5. Rent payment funds can only be used for a unit the household is "currently occupying." The current rent cannot be in arrears.
6. The monthly contract rent for the unit cannot exceed 45% of the household's total gross monthly income. For Section 8 participants, the unit must meet the Housing Authority's Section 8 affordability guidelines.
7. The funds cannot be used for payment of special amenities, which may include but are not limited to pets, water beds, telephone, cable, garages or additional deposits not in accordance with Iowa Tenant Landlord Law.
8. No rental deposit will be paid out if the amount is under \$500.00.

B. Process for Accepting Applications

Completed applications will be processed on a first-come, first-served basis based on the date and time received.

C. Applicant Requirements

To be considered for assistance under this program the following guidelines shall be met:

1. Eligibility Determination

- a. Gross household income shall not exceed, at the initial application, 60% of the current Ames Metropolitan Statistical Area (MSA) income limits per household size established by HUD (see Attachment A).
- b. Applicant(s) must not have more than \$1,000.00 in both liquid assets and non-liquid assets.
- c. Applicant(s) must not be homeowners (except for owners of mobile homes that are not attached to a permanent foundation).
- d. Applicant(s) must be a United States citizen or a non-citizen who has Eligible Immigration Status as a Permanent Resident under §249 of INA.
- e. The Head of Household must be an adult or an emancipated minor.
- f. Applicant(s) who are college students must meet the definition of a “non-traditional college student” OR be elderly, disabled or a family with dependent children.

2. Ineligibility Determination

The applicant(s) can be denied participation in this program for any of the following reasons:

- a. Does not meet any of the qualifications listed under Section C (1) above.
- b. Has given false, misleading, or inaccurate statements or information.
- c. Has changes in circumstances affecting eligibility that occur between the time of application and prior to receiving assistance.
- d. Has committed fraud on any program administered by the City of Ames Housing Division and therefore will not be eligible for 12 months.
- e. Has been found guilty of a 1) drug related criminal activity or 2) a violent criminal activity within twelve (12) months before the date the City of Ames Housing Division provides notice to the family of its determination to deny assistance. [In cases where a court decision has not been made, the application will be put on hold for up to ninety (90) days].
- f. Is subject to a sex offender registry, pursuant to any state sex offender registration law.

D. Property Owner Requirements

Before funds can be dispersed for the security/utility deposits and/or up to two month's rent all of the required information must be verified through the property owner.

E. Property Requirements

1. The property must be located within residentially zoned areas within the city limits of Ames.
2. Dwelling units that do not conform to current zoning and rental housing regulations, including vested non-conforming dwellings, are not eligible for participation under this program.
3. The property must meet the following standards:
 - a. There must be a current rental housing letter of compliance on file with the City's Building Inspections office for each dwelling utilizing the Renter Affordability Assistance.
 - b. Units not required to meet the City's rental housing inspection standards must then meet HUD's Section 8 Housing Quality Standards (HQS) (i.e. Assisted Living Facilities, University Housing Tenants).
 - c. In the case of a Section 8 participant the property must have a current "passing" inspection for HQS compliance under the Central Iowa Regional Housing Authority's (CIRHA) Section 8 Housing Choice Voucher Program.

F. Application/Eligibility Determination and Verification Process

The following steps will be used in the acceptance and processing of applications for participation in this program:

1. All applicants will be required to complete an application with the City of Ames to determine if they meet the requirements of the program. The application will not be considered complete until the applicant has submitted all of the necessary documents needed to complete verification. The following information will be needed by the household in order to complete the application:
 - a. Current State-issued Driver's License/ID OR Passport for all adult household members
 - b. Social Security Card for all adult household members (must be signed).
 - c. Documentation of **all** current sources of annual income of all household members including but not limited to:
 - Employment – last three (3) months of pay stubs OR *Verification of Employment* form
 - Self-Employment – signed last two (2) years filed tax returns
 - FIP – Department of Human Services *Notice of Decision*
 - Child Support – last three (3) months of payment records or *Verification of Child Support* form
 - Social Security/SSI –Social Security Award Letter

- Veteran's Benefits –Veteran's Affairs Award Letter
- d. Documentation of **all** current liquid assets of all household members including but not limited to:
 - Current statements for checking, savings, CDs, money market, and/or bonds or *Verification of Assets* form;
 - Current stock statements or *Verification of Assets* form;
 - Current statement of cash value of life insurance or *Verification of Assets* form.

The financial institution's name and all account numbers must appear on the documentation.
 - e. Section 8 Housing Choice Voucher (Section 8 Participants Only)
 - f. Section 8 Worksheet (Section 8 Participants Only)
2. Applicant(s) will be notified in writing whether they are determined to be eligible or ineligible.
 3. Any changes to the application during the eligibility phase must be reported immediately to the City.

G. Program Terms, Conditions, and Disbursement of Funds

Before funds are disbursed under this program, the following terms and conditions must be adhered to.

1. Households applying for assistance must submit the following documentation:
 - a. Copy of the signed lease agreement [lease agreement term must be a minimum of six (6) months]
 - b. *Property Owner Agreement* (form to be provided)
 - c. Letter from the Central Iowa Regional Housing Authority (CIRHA) that the rental unit has been approved (Section 8 Participants only)
2. The payment for the rental deposit, utility deposit, and/or up to two month's rent will be made by the City directly to the property owner.
3. The program will not reimburse or give credit for any rental/utility deposit and/or up to two month's rent already paid or advanced from other resources (i.e., applicant, human service agencies, family, friends, etc.).
4. The funds available under this program can be retained and/or dispersed to the tenant by the property owner in accordance with Iowa Tenant Landlord Law.

H. Marketing of the Program

1. The Rental Deposit Assistance Program may utilize the following marketing sources for applicant(s):
 - a. Social Media Outlets (Facebook, Twitter, etc.)

- b. Organizations familiar with families in need of housing
 - c. Rental Property Owners Association
 - d. City's Web Page
- 2. Efforts shall be undertaken to attract applicant(s) from all segments of the eligible population regardless of race, color, creed, religion, sex, national origin, disability, or age, whether working or receiving public assistance. Such efforts shall also apply to persons expected to reside in the community due to present or planned employment.
 - 3. The City of Ames, in its advertisements, will use the Equal Housing Opportunity logo.
 - 4. The City of Ames will utilize its Civil Rights Commission and HUD's Housing Discrimination Complaint Form to assist applicant(s) who feel they may have been discriminated against through this program.

I. Inclusion, Omissions, and Revisions

- 1. These guidelines are designed to amplify the provisions for program administration as set forth in the applicable CDBG regulations administered by the Department of Housing & Urban Development (HUD). These policy regulations and this plan, utilized together, provide the basis for program administration. The lack of any item to be included in these guidelines shall not relieve or release an applicant, the City of Ames, and the participating property owners from their responsibility under the provisions of applicable CDBG administration regulations and program guidelines.
- 2. These guidelines may be amended by the Program Coordinator for reasons of operational efficiency or unforeseen circumstances that may arise or conflict with applicable Federal, State, or City regulations affecting the administration of the program.

DEFINITIONS

ADULT

Any person who is at least 18 years of age or an emancipated minor.

ANNUAL INCOME

1. Annual income is the anticipated total income from all sources (monetary or not) received by the household head and spouse (even if temporarily absent) and by each additional member of the household, including all net income derived from assets for the 12-month period following the effective date of initial determination or re-examination of income, exclusive of income that is temporary, non-recurring, or sporadic. Annual income includes, but is not limited to:
 - a. The full amount, before any payroll deductions of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
 - b. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included as income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household.
 - c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. All allowance for depreciation is permitted only as authorized in paragraph (1)(b) of this section. Any withdrawal of cash or assets from an investment will be included as income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household. Where the household has Net Household Assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all Net Household Assets, or a percentage of the value of such Assets based on the current passbook savings rate, as determined by HUD.
 - d. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amount for the delayed start of a periodic payment.
 - e. Payments in lieu of earnings such as unemployment and disability compensation, worker's compensation, and severance pay.
 - f. Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling.
 - g. All regular pay or special pay allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the household or spouse.
2. In cases where the applicant is a student and is being claimed as a dependent by the parent(s), the income of the parent(s) will be included.

3. Assistance received from Rental Subsidy Programs where the assistance is paid directly to the participant (i.e. Iowa Finance Authority's Home- and Community-Based Service Rent Subsidy Program).

ANNUAL INCOME IS NOT

Annual income does not include the following:

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlements for personal or property losses (except as provided in (1) (e) above).
4. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide as defined in 24 CFR 5.403.
6. The full amount of student financial assistance paid directly to the student or to the educational institution.
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
8.
 - a. Amounts received under training programs funded by HUD;
 - b. Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - c. Amounts received by a tenant in other publicly assisted programs which are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
 - d. A resident service stipend: this is a modest amount (not to exceed \$200 per month) received by a public housing resident for performing a service for the City of Ames Housing Division, on a part-time basis, that enhances the quality of life in public housing. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance and resident initiative coordination. No resident may receive more than one such stipend during the same period of time; or
 - e. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with the local government) and

training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.

9. Temporary, non-recurring or sporadic income (including gifts).
10. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
11. Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse).
12. Adoption assistance payments in excess of \$480.00 per adopted child.
13. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts.
14. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.
15. Amounts paid by a State Agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.
16. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. The following is a list of incomes that qualify for that exclusion:
 - a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
 - b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
 - c. Payments received under Alaska Native Claims Settlement Act;
 - d. Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes;
 - e. Payments or allowances made under Department of Health and Human Services' Low-Income Energy Assistance Program;
 - f. Payments received under programs funded in whole or in part under the Job Training Partnership Act (see Appendix 12);
 - g. Income derived from the disposition of funds of Grant River Band of Ottawa Indians;
 - h. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held

- in trust for an Indian tribe by the Secretary of Interior;
- i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the BIA student assistance programs. These are made available to cover the cost of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student or an educational institution;
 - j. Payments received from programs funded under Title V of the Older Americans Act of 1965;
 - k. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, MDL No. 381 (E.D.N.Y.);
 - l. Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-426, 94 Stat. 1785);
 - m. The value of any child care provided or reimbursed under the Child Care and Development Block Grant Act of 1990; or
 - n. Earned Income Tax Credit.

APPLICANT

A household which has applied for admissions to a program but has not yet been a participant in the program.

ASSETS

The value of (or equity in), real property, stocks, bonds, bank accounts, and other forms of capital investments. (Does not include personal and household belongings and automobiles.) See definition for liquid and non-liquid assets.

CENTRAL IOWA REGIONAL HOUSING AUTHORITY (CIRHA)

Housing and Urban Development (HUD) approved Housing Authority that administers the Section 8 Housing Choice Voucher Program for the City of Ames.

CONTRACT RENT

A fixed scheduled payment through a lease agreement made between a tenant and an owner for the right to occupy or use a property, regardless of any furnishings, utilities, fees, or services that may be included.

CURRENTLY OCCUPYING

Applicant has entered into a lease agreement, and has been living in the unit for more than sixty (60) calendar days from the submittal of the completed application.

DEPENDENT

A member of the family household (excluding foster children, head of household, or spouse) who is under 18 years of age, is a disabled person, or is a full-time student.

DISABLED FAMILY

A family whose head or spouse is a disabled person. It may include two or more disabled persons living together, or one or more of these persons living with one or more live-in aides.

DISABLED PERSON

For the purposes of this program, a disabled person will be defined as someone receiving social security, social security supplemental, or veteran's pension.

DRUG RELATED CRIMINAL ACTIVITY

The illegal use and/or possession for personal use, of a controlled substance (as defined in Section 102 of the Controlled Substances Acts (21 U.S.C. 802)); or the drug trafficking, the illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance (as defined in section 102 of the Controlled Substances Acts (21 U.S.C. 802)).

ELDERLY FAMILY

A family whose head or spouse or whose sole member is an elderly person. It may include two or more elderly persons living together.

ELDERLY PERSON

Any person who is at least sixty-two (62) years of age.

EMANCIPATED MINOR

A minor who is absent from the minor's parents with the consent of the parents, is self-supporting, and has assumed a new relationship inconsistent with being a part of the family of the parents for at least twelve (12) continuous months.

EVIDENCE OF CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS

The documents that must be submitted to prove citizenship or eligible immigration status.

FIRST MONTH'S RENT

The amount of contract rent beginning with the first full month. With the exception of the month of June. For those families moving in after the first of June through the end of June, a pro-rated rent will be paid.

FISCAL YEAR

City of Ames Fiscal Year runs from July 1 to June 30.

HOUSEHOLD

One or more persons occupying a housing unit as their usual place of residence who are related or non-related.

INS

The United States Immigration & Naturalization Service.

LEASE

A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit.

LIQUID ASSETS

Liquid assets are those which can be readily converted into cash, i.e.: savings accounts, checking accounts, saving certificate of deposits, savings bonds, money markets, stocks and bonds, value in life insurance policies. Determinations will be made on a case-by-case basis.

NET HOUSEHOLD ASSETS

Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment excluding interests in Indian trust land and the equity in a housing cooperative unit or in a manufactured home in which the household resides.

NON-CITIZEN

A resident born in, or belonging to another country who has not acquired citizenship by naturalization.

NON-LIQUID ASSETS

Non-liquid assets include such items as retirement type accounts, mobile homes, equity in real estate, etc. Non-liquid assets will not include certain non-contributory pension plans; in other words, plans with only employer contributions. Determinations will be made on a case-by-case basis.

NON-PERMANENT HOUSING

For the purposes of this program, non-permanent housing will be defined as a State or local government certified homeless shelters or transitional housing units.

NON-TRADITIONAL COLLEGE STUDENT

For the purposes of this program, non-traditional college students will be defined as age 25 years old or older and financially independent for the purposes of determining eligibility for federal student financial aid.

PROPERTY OWNER

Any person or entity, or their designated representative, with the legal right to lease or sublease a unit to a household.

PROGRAM COORDINATOR

The Housing Coordinator in the Planning & Housing Department and/or designee will be the Program Coordinator for the administration of this program.

RENT

The monthly cost of housing for an eligible household.

RENTAL DEPOSIT

An amount deposited by the tenant, to the owner, which is not in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

VIOLENT CRIMINAL ACTIVITY

Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Effective January 2025

ATTACHMENT A

Program Income Limits (subject to change)

60% of Ames Metropolitan Statistical Area (MSA)	
Family Size	Gross Income Cannot Exceed
1	\$49,140
2	\$56,160
3	\$63,180
4	\$70,200
5	\$75,840
6	\$81,480
7	\$87,060
8	\$92,700

Effective June 1, 2024