



Energy & Housing Services Department Memorandum

To: Public Housing Authorities, Housing Providers, Property Managers, and USDA Offices
cc: Community Action Agencies (CAAs)
From: Kathy Kinch, Program Operations Manager
Date: December 11, 2014
Subject: LIHEAP – Documentation Required for Subsidized Housing Tenants

The intent of this memo is to inform our housing partners about changes in the federal Farm Bill impacting subsidized housing tenants. We hope this information helps to clarify the following:

- Background on the connection between Low Income Home Energy Assistance Program (LIHEAP) and Supplemental Nutrition Assistance Program (SNAP) benefits – i.e. Heat and Eat
- Federal law changes and the potential impact on SNAP benefits.
- Housing related documentation required to determine LIHEAP eligibility of subsidized housing tenants.

Background:

The following provides some context for the connection between LIHEAP and SNAP benefits. A portion of this is an excerpt from an article published by the National Consumer Law Center (June 2014).

“Heat and Eat” is a term used to describe a streamlining practice that some states use to determine SNAP benefit levels for eligible households. In calculating a household’s monthly SNAP benefits, certain deductions from income are allowed, including the (SNAP) Standard Utility Allowance (SUA). A household may receive a higher SNAP benefit if they qualify for more deductions.

Under previous law, Maine households who did not have direct heating costs could qualify for the (SNAP) SUA, which in turn resulted in a higher SNAP benefit, if one of the following was true:

- Household indicated to DHHS that they intended to apply for LIHEAP; or
- Household received any amount of LIHEAP benefit. Tenants residing in subsidized units with heat included only needed to apply for LIHEAP once every five years.

Changes to “Heat and Eat” in the Agriculture Act of 2014 – Section 4006 of Title IV in the Agriculture Act of 2014, commonly known as the Farm Bill of 2014, provides that LIHEAP payments of \$20 per year or less no longer entitle a household to automatically qualify for the SUA. This means that families receiving \$20 or less in LIHEAP assistance will not qualify for “Heat and Eat”. These changes took effect in March 2014 for new SNAP applicants. For current SNAP

recipients, the law states that the change will take effect when they reapply for benefits at the end of their current (SNAP) certification period.

Impact on Maine Clients:

This change affects thousands of Maine households who now find themselves in a position of having to apply for LIHEAP annually instead of once every five years. In order to minimize the impact to these households and make the process more efficient, MaineHousing has streamlined the application process so that with adequate documentation/support, these households can be certified as LIHEAP eligible based on the fact that they have been deemed income eligible for rental assistance as determined through the annual income certification process. To adequately support this, as part of the LIHEAP application/certification process, applicants who reside in subsidized housing (defined as rent restricted units or units receiving rental assistance through HUD Section 8 or Rural Development Rental Assistance subsidy) must provide documentation, as prescribed by MaineHousing, to substantiate the following:

- a. Landlord's or housing agent's name and telephone number
- b. Physical address of the property
- c. Tenant rent amount
- d. Effective date of lease or annual verification/recertification
- e. Names of all persons living in the residence.
- f. Tenant's responsibility for utilities – amount paid by tenant.

The following outlines LIHEAP eligibility and the documentation requirements by housing type. The documentation listed below will be acceptable provided it fully addresses (a) thru (f) above.

It is important to note that LIHEAP eligibility is based on the information submitted by the Primary Applicant as of the **Date of Application**. Therefore, the **documentation submitted should represent what was effective on the (LIHEAP) date of application**.

Subsidized with heat included tenants

MaineHousing has increased LIHEAP payments to \$21 per year to comply with the new law and ensure clients maintain eligibility for "Heat and Eat".

Tenants living in subsidized housing **with heat included** may be eligible for a \$21 LIHEAP benefit provided they pay a portion of their rent or utility costs.

Receipt of a \$21 LIHEAP benefit entitles the client to the SNAP Standard Utility Allowance (SUA) provided the benefit was paid within the twelve (12) months preceding their SNAP application or recertification date.

If the subsidy pays 100% of the rent and utility costs, the tenant does not have a direct or indirect heating cost; and therefore, would not be eligible for LIHEAP.

Documentation: applicant/tenant must provide **one of the following** when applying for LIHEAP:

- a. Recertification worksheet/summary or Rent Calculation sheet signed by property manager or subsidy housing specialist; **or**
- b. Valid lease agreement; **or**
- c. Recertification form (HUD 50058/59 or RD 3560-8).

Subsidized housing tenants who are responsible for paying all or a portion of their heating costs

Tenants living in subsidized housing who are responsible for their own heat may be eligible for a regular LIHEAP benefit that is greater than \$21/year. The LIHEAP benefit amount is based on the tenant's estimated home heating cost minus any subsidy received, or included in the rent reduction calculations, to assist the tenant with home heating costs. Since the tenant has a direct heating cost, their eligibility for the SUA is NOT contingent on receiving a LIHEAP benefit.

Documentation: applicant/tenant must provide one of the following when applying for LIHEAP:

- a. Recertification worksheet/summary or Rent Calculation sheet signed by property manager or subsidy housing specialist **and** Home Energy Assistance – Subsidized Housing Form; **or**
- b. Valid lease agreement and Home Energy Assistance - Subsidized Housing Form; **or**
- c. Recertification form (HUD 50058/59 or RD 3560-8) **and** Home Energy Assistance Program - Subsidized Housing Form.

We acknowledge it has been a difficult, confusing, and administratively burdensome transition for all involved, including clients and our partners. MaineHousing will continue looking for ways to simplify the documentation requirements and still be in compliance with the federal requirements.

If you have questions, concerns, or suggestions, please email me at kkinch@mainehousing.org or call 207-626-4689.

We appreciate your efforts to support and assist our mutual clients with the changes to the Heat and Eat program.