



Local Commissioners Memorandum

Section 1

Table with 2 columns: Field (Transmittal, To, Issuing Division/Office, Date, Subject, Contact Person(s), Attachments) and Value (26-LCM-06, Social Services District Commissioners, Employment and Income Support Programs, April 20, 2026, 2026-2027 New York State Rental Supplement Program Allocations, Temporary Assistance Bureau (518) 474-9344, Attachment A – 2026-2027 Rental Supplement Allocations)

Section 2

I. Purpose

The New York State Fiscal Year 2025-2026 Budget appropriates \$100 million to provide rental supplements to individuals and families, both with and without children, who are experiencing homelessness or are facing an imminent loss of housing, regardless of immigration status.

II. Background

The RSP was established to provide vital rental assistance to individuals and families, regardless of immigration status, who are experiencing homelessness or are facing an imminent loss of housing. The RSP is available to individuals and families both with and without children.

III. Program Implications

A. Program Activities and Services

OTDA has combined each district's prior RSP plans into one document per district which includes current FMR rates and updated plans were disseminated to districts individually in advance of this LCM. Districts choosing to participate in the 2026-2027 RSP **must** confirm receipt of their updated plan and notify OTDA if there are any changes to their plan, or confirm that there are no changes, **as soon as possible, but no later than 5/4/2026**. It is expected that services will continue for eligible households transitioning into the 2026-2027 program cycle without interruption. OTDA is available to assist districts who would like insight ascertained from districts with programs functioning effectively and/or at full capacity. RSP supplements shall be made available in accordance with district plans, as long as certain minimum eligibility requirements are established as outlined in this LCM.

Supplements provided through the RSP will not be part of the standard of need pursuant to Social Services Law §131-a for individuals or families applying for or in receipt of Public Assistance (PA), and therefore would not be considered by ABEL when computing financial eligibility for PA. When computing a budget for a PA recipient who is receiving an RSP supplement, the shelter cost not covered by the RSP, or any other program, must be entered into the budget unless the supplement covers the entire shelter cost. In addition, RSP supplements shall not be subject to recoupment or repayment unless there is a determination that the application submitted was fraudulent, or otherwise identified as ineligible, and the application should not have been approved.

B. Program Eligibility and Program Requirements

While districts have flexibility regarding the development of a local RSP, the governing statute outlines some minimum requirements for participant eligibility as follows:

- Eligible participants are individuals and/or families, both with and without children, who are experiencing homelessness or facing an imminent loss of housing, regardless of immigration status;
- Household income shall be no more than 50% of area median income (AMI) at the time of application based on location and household size, with initial priority given to households who earn no more than 30% of AMI;
- Rental supplement amounts shall be set at 85% of local FMR values with a district option to pay up to 100% of FMR using local funds;
- At least 50% of the supplements shall be allocated for households who are currently in a shelter or experiencing homelessness at the time of application, unless sufficient demand does not exist for such households within the district;
- A household's financial contribution will be limited to 30% of their household's total earned and/or unearned income;
- Supplements are to be provided until a household's total monthly rent is 30% or less than their total monthly income, at which point the housing will be considered affordable for the individual/family and the supplement will end; and
- Receipt of PA is not a requirement for determining eligibility for the RSP.

Additionally, districts must make sure they have policies and procedures in place to:

- Establish that the supplement recipient is the primary tenant (e.g., require a lease or other documentation);
- Establish the rent obligation of the supplement recipient and how contributions from individuals outside the household will be taken into consideration;
- Take reasonable steps to prevent the duplication of benefits;
- Ensure arrears and security deposits are limited and are only utilized for households eligible for ongoing supplement payments;
- Establish a process for handling fraudulent applications, including a procedure for recouping funds, if necessary; and
- Establish a process for reviewing and considering appeals of applications that are denied or vouchers that are reduced or ended.

RSP Plans must provide a comprehensive outline of each district's proposed program and must address, at minimum, the following:

- Specific details regarding how eligibility for a rental supplement will be determined as well as any target populations identified;
- The process for handling modifications (moves, rent increases, changes in household composition, etc.).
- All forms and/or notices, including any new or updated forms and/or notices. If the form/notice that will be used to facilitate the application and determination process has not yet been developed, a description of this form/notice may be provided. When households requesting a supplement do not meet the criteria set forth in the district's plan, the denial/closing letter must support the decision by explaining the criteria and the district's decision that the household does not meet such criteria. An award letter must be provided to both the tenant and landlord and must detail the amount approved to be paid on a monthly basis, months/term included and any applicable tenant protections resulting from receipt of the RSP; and
- An explanation of whether there will be any health and safety standards that must be adhered to prior to paying rental supplements at a specific location.

Eligibility is determined based on a household's current monthly income at the time of application. Applications are to be accepted on a first-come, first-served basis according to the eligibility parameters set forth at the local level. Districts must establish a recertification process, including the length of the local recertification period, but recertifications shall occur at least annually.

While arrears and security deposits can be paid in limited instances, RSP funds are intended to be used for ongoing rent supplement payments and as such, eligibility determinations must be based on the household's need for ongoing rental supplements. Though PA eligibility is not a factor in determining eligibility for the RSP, operators are encouraged to refer RSP applicants for assistance applying for applicable benefit programs, such as PA, Home Energy Assistance Program (HEAP), Supplemental

Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI).

Notifications regarding eligibility determinations (e.g., approvals, denials, and closings) must be maintained in the case record for a minimum of six years following submission of the final expenditure report.

C. Allocations

A total of \$100 million is available annually to support the RSP. While all funding is subject to legislative enactment each year, continued funding support for the RSP is expected. The program year 2026-2027 RSP district allocations are listed in Attachment A and were determined based on each district's relative share of PA households as of March 31, 2022, as well as the distribution of renter households under 30% of the local AMI, based on the US Census Bureau 2015-19 Public Use Microdata Sample. RSP allocations may be adjusted in future award years based on factors including statewide utilization and ongoing local rental supplement needs.

D. Reporting Requirements

As part of their participation in the RSP, districts must keep data about each household that participates in the RSP from the point of application throughout participation in the program and must submit RSP reports on a quarterly basis. These quarterly reports are utilized to compile the annual report required by RSP legislation. In addition, on time reporting allows districts and the State to answer questions, many required by the RSP legislation, about how the RSP is being implemented in each district and to inform future programs to support those in need of housing in New York State.

While OTDA is not requiring districts to submit household-level data at this time, OTDA has provided a template with the household-level data elements that are required to complete the RSP reports. Districts may consider utilizing this optional household-level tracker as it is helpful with compilation and completion of the mandatory report.

OTDA provided a reporting instrument to districts who participated in the 2025-2026 RSP, and this instrument is unchanged. 2026-2027 RSP reports are due on or before July 10, 2026 (for the period April 1, 2026, through June 30, 2026); October 10, 2026 (for the period July 1, 2026, through September 30, 2026); January 10, 2027 (for the period October 1, 2026, through December 31, 2026); and April 10, 2027 (for the period January 1, 2027, through March 31, 2027). RSP reports must be submitted quarterly as long as there are still clients receiving a supplement through this program.

Districts and/or program operators, as applicable, are required to provide OTDA or its designees access to the program records during the course of the project. RSP projects will be monitored by OTDA on a regular basis and may include onsite visits as well as regular telephone contact and/or case reviews. The goal of monitoring is to ensure the terms of the RSP are being met in accordance with State legislation. In addition, monitoring enables OTDA to provide technical assistance, where necessary, to assist the district and/or program operator to meet the overall intent of the RSP. It is the

responsibility of the district to monitor any and all subcontracts. Districts must ensure the confidentiality of records concerning project participants.

IV. Reimbursement Structure and Allowable Costs

Allocations for the 2026-2027 RSP will be made immediately available to participating districts retroactive to April 1, 2026, to prevent any interruption in supplement payments for eligible households currently enrolled in the 2025-2026 RSP. Release of this LCM constitutes an approval of each district's 2026-2027 allocation and as such RSP payments for eligible supplements should not be suspended year to year. District allocations will be paid as claims are submitted to substantiate payment.

RSP funding is made available for districts to provide vital rental assistance to eligible households and as such, it is expected that a minimum of 85% of the funds will be used toward rental supplements including, in limited instances, rental arrears and security deposits. Districts are reminded that rental arrears and security deposits may be provided in limited instances, as long as the household is eligible and receiving an ongoing, monthly rental supplement in accordance with the guidelines outlined herein. OTDA has set a 15% spending limitation on administrative costs.

Agencies should limit the amount of administrative costs necessary to operate the RSP to maximize both the amount of funds available to pay rental supplements and the number of households enrolled. The use of RSP funds for administrative purposes must be directly related to the provision of rental supplements to eligible individuals and families.

For districts opting to assign all or a portion of their RSP allocation to another public agency, contractor or local nonprofit organization, districts will be held liable for assigned funds not used in a manner consistent with the purpose of the RSP allocation.

Districts are required to submit all claims for reimbursement through the Automated Claiming System (ACS) regardless of whether they elect to operate the program in-house or transfer the administration to another entity. RSP claims must be for expenditures from April 1, 2026, through March 31, 2027, and must be submitted in a timely manner.

V. Claiming Instructions

Expenditures for RSP should be claimed through the RF-17 claim package for special project claiming in the Automated Claiming System (ACS) for the month(s) that the expenditures were made. These costs are first identified on the RF-2A claim package as F17 functional costs and reported in the F17 column on the [LDSS-923](#) "Cost Allocation Schedule of Payments Administrative Expenses Other Than Salaries" and the [LDSS-2347](#) Schedule D DSS Administrative Expenses Allocation and Distribution by Function and Program" (Schedule D). After final accepting the RF-2A, the individual project costs are then reported under the project label **Rental Supplement Program 2627** on the RF-17.

Salaries, fringe benefits, staff counts, and central services costs are directly entered on the [LDSS-4975A](#) "RF17 Worksheet, Distribution of Allocated Costs to Other Reimbursable Programs" while overhead costs are automatically brought over from the Schedule D and distributed based upon the proportion of the number of staff assigned to this project.

Employees not working all their time for RSP must maintain time studies to support the salary and fringe benefit costs allocated to the program.

Non-salary administrative costs are reported with the appropriate object of expense code(s) on page 1 of the [LDSS-923B](#) "Summary - Administrative Schedule of Payments for Expenses Other Than Salaries for Other Reimbursable Programs".

Program costs are reported as object of expense code 37 (Special Project Program Expense) on page 2 of the [LDSS-923B](#) "Summary - Program Schedule of Payments for Expenses Other Than Salaries for Other Reimbursable Programs".

Total project costs are reported on the [LDSS-4975](#) "Monthly Statement of Special Project Claims Federal and State Aid (RF-17)" as 100% state share excluding central services costs which are local share. Actual reimbursement will be based upon each district's allocation.

Claims for the period April 1, 2026, through March 31, 2027, must be final accepted in ACS by July 1, 2027.

For further instructions relating to completing time studies, the LDSS-923, LDSS-923B, and Schedule D, and the RF-17 claim package are found in Chapters 4, 7, and 18, respectively of the Fiscal Reference Manual (FRM) Volume 3. The FRMs are available online at: <https://intranet.otda.ny.gov/bfdm/finance/>.

Claiming Contact:

Regions 1-5: Justin Gross at: 518-474-7549 or otda.sm.Field_Ops.I-IV@otda.ny.gov.

VI. Necessary Action

Districts who elect to receive this funding must have an updated 2026-2027 RSP Plan. Each district will receive an individualized RSP Plan that has been updated for 2026-2027 in advance of this LCM. Districts are encouraged to submit changes to RSP Plans, or confirm that no changes are required, as soon as possible, but no later than 5/4/2026. Districts opting to participate in RSP for the first time in 2026-2027 must contact OTDA to begin the process of developing a 2026-2027 plan. OTDA staff will provide resources and support as needed. While it is understood that time is needed to develop and implement a new RSP program, it is expected that districts participating in the 2026-2027 RSP will provide rental supplements during the 2026-2027 program year.

In order to expedite the review and approval of RSP Plans for districts who operated during the 2025-2026 program year, OTDA provided each district with a version of their RSP Plan that includes updated FMR charts and previously submitted information. Districts must note any changes to their Plans by highlighting or italicizing the changes on this version of RSP Plan. A complete 2026-2027 RSP Plan package will be sent to participating districts, including the reporting template.

Issued By:

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