**Section 145.210 Leases**

Under the PHS Bridge Subsidy model, the lease for the housing unit is held by the tenant. Flexible leasing options may be made available through alternative PSH programs/models funded by DMH, but PSH Providers will be responsible for compliance with leasing terms as stipulated in their executed contract and/or PSH program-specific guidance provided by DMH. There are three options to obtain leases in a PSH Bridge Subsidy model:

a) Under Tenant Executed Leases:

1) The landlord or property management entity shall enter into a direct written lease with each tenant.

2) The lease shall have a term of no less than 12 months (unless reviewed and approved by DMH on a case-by-case basis) and shall contain a HAP contract.

3) The SA shall review each lease to certify to DMH that the lease does not violate any provisions of State or local law or this Part.

4) The landlord or property management entity shall provide each tenant and the SA with a copy of the lease and execute the HAP contract with the SA.

5) The tenant is responsible for his/her portion of the rent up to 30% of his/her income (based on the SA's income verification process) paid directly to the landlord. The SA will pay the remaining amount of the rental balance.

6) Lease responsibilities for the unit will rest with the tenant.

b) Under an Executed Master Lease Agreement:

1) The SA under authorization of DMH, will execute a HAP contract with the landlord or property management entity for a select number of rental units that will be held available until a lease is signed with a prospective tenant.

2) The landlord or property management entities shall enter into a lease with the tenant that shall have a term of no less than 12 months (unless other lease terms are approved by DMH).

3) The SA shall review each lease to certify to DMH that the lease does not violate any provisions of State or local law or this Part.

4) The tenant is responsible for his/her portion of the rent up to 30% of his/her income (based on the SA's income verification process) paid directly to the landlord. The SA will pay the remaining amount of the rental balance.

5) Lease responsibilities for the unit will rest with the tenant.

c) Under Project Based Leases:

1) DMH can partner with developers, property managers or landlords to identify apartment unit resources that are either scattered site or within a designated project.

2) This partnership would be facilitated under all PSH Bridge Subsidy processes in order to set up a leasing arrangement for an identified number of unit resources.

3) The landlord or property management entities shall enter into a lease with the tenant that shall have a term of no less than 12 months (unless other lease terms are approved by DMH).

4) The contracted SA will monitor this arrangement for either scattered site or project-based units.

5) The tenant is responsible for his/her portion of the rent up to 30% of his/her income (based on the SA income verification process) paid directly to the landlord. The SA will pay the remaining amount of the rental balance.

6) The SA shall review each lease to certify to DMH that the lease does not violate any provisions of State or local law or this Part.

7) Lease responsibilities for the unit will rest with the tenant.

(Source: Amended at 45 Ill. Reg. 11027, effective August 30, 2021)