

Using HOME to Provide Tenant-based Rental Assistance

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Under contract to NAHRO with HUD CDTA funding

HOMEspeak

- **NAHA**: Nat. Aff. Housing Act of 1990
- **Part 92 or 92.____**: HOME rules @ 24 CFR 92
- **PJ**: Participating Jurisdiction
- **HAU**: HOME-Assisted Unit
- **HQS**: Section 8 Housing Quality Standards
- **VLI**: Very Low Income (50%)
- **LI**: Low Income (80%)
- **IDIS**: HUD cash disbursement & mgt info system

Eligible HOME Activities

- Owner occupied rehabilitation (OOR)
- Homebuyer assistance (HBA)
- Rental housing acq/rehab/dev (RH)
- **Tenant-based rental assistance (TBRA)**

What Is TBRA?

- TBRA is a rental subsidy that PJs can use to help individual households afford housing costs
 - Rent
 - Utility costs
 - Security deposits
 - Utility deposits



Why Create A TBRA Program?

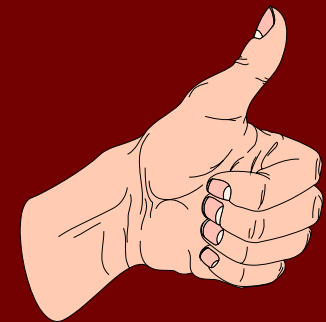
- Choice and mobility for households
- Flexibility to meet fluctuating demands for housing
 - Respond with transitional help to emergency needs
- Cost-effectiveness
- No long-term financial obligation
- May be used to help with relocation

Eligible Activities

- Activities that make housing more affordable to low-income households, incl assistance with rent, utilities, security & utility deposits
- Tenant assistance contracts limited to 24 mos
 - May be renewed subject to availability of HOME funds
- May be administered by PJ, or under contract to PHA or other subrecipient

Program Design Options

- General community-wide program
- Targeted populations program
 - Must address an unmet need in PJs' Con Plan
 - Subject to fair housing limitations
- Self-sufficiency program
- Homebuyer program
- Security deposit program
- Anti-displacement program



Program Models

■ Section 8 Model

- Successful track record
- Can be more efficient
- Payments go directly to landlord

■ New Program

- May administer a security deposit only program
- Payments may go directly to tenant

Ineligible TBRA Activities



- Tying to specific project, HOME assisted or other
- Assisting a resident owner of a cooperative or mutual housing unit (unless considered rental)
- Providing funds to homeless persons for overnight or temporary shelter
- Duplicating rental assistance programs that already reduce rent payment to 30% of a tenant's income

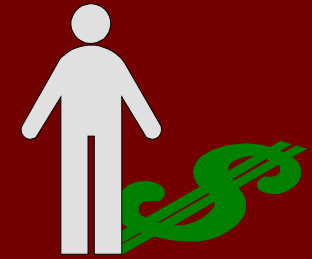
Katrina Waivers for TBRA

- 30 day comment period reduced to 3 days to amend ConPlan to deliver emergency housing assistance
- TBRA rent standard can be exceeded for FEMA registered for 1 year (must document)
- Source documentation – FEMA registered victims can self-certify (with FEMA letter within 60 days) for 1st year
 - Must verify if FEMA rental assistance within 90 days
- TBRA HQS standard waived, but must meet local codes and LBP still applies for child < 6

The Details

- Eligible households
- Eligible units
- Assistance amount
- Ongoing responsibilities

Eligible Applicants



- Tenants must be low-income (80% AMI) but
- Program rule also must be met...
 - For each annual PJ funding allocation, 90% of households in HOME rental units or receiving TBRA must have incomes at/below 60% of MFI
- Bottom line: probably need to target below 60%

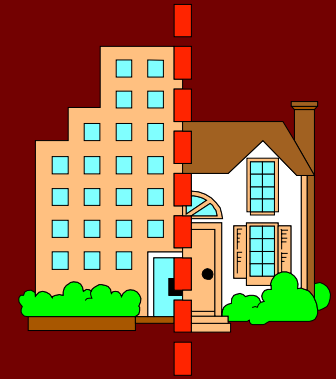
Tenant Selection Requirements

- Written policy
 - Select households
 - Income
 - Preferences (Federal preferences no longer apply)
- Two options:
 - Select households from PHA Section 8 waiting list OR
 - Establish its own waiting list

Processing Applications

- Key steps:
 - Eligibility determinations (get new Tech Guide)
 - Coupon issuance
 - Request for unit approval
 - Lease execution and project set-up
 - Application intake and waiting lists

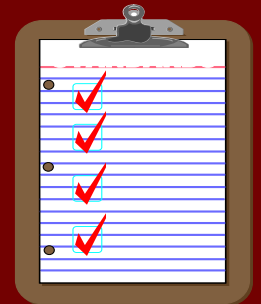
Eligible Units



- Units may be publicly- or privately- owned
- Units may not receive another form of rental subsidy
- Units must have a “reasonable rent”
- Units may have been developed or rehabilitated with HOME assistance

Property and Occupancy Standards

- Property must meet Section 8 HQS
- PJ must develop occupancy standards
 - Section 8 HQS OR
 - Higher local standards
- Assure compliance with LBP Title X (24 CFR 35)
- At occupancy and annual renewal



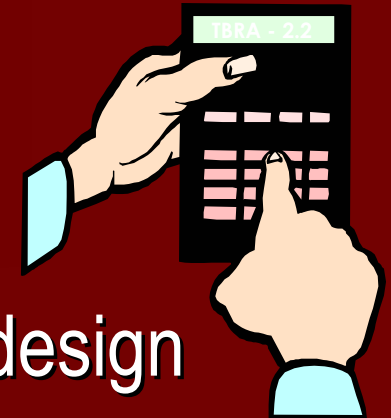
Lead-Based Paint

- Units built before 1978 (24 CFR Part 35, Subpart M)
- Requirements
 - If not child under 6, no extra requirements
 - If child under 6, visual assessment, paint stabilization & clearance (if deter. paint)
 - If EIBLL child, risk assessment & int. controls
 - Ongoing maintenance (annual visual assessment)

Program Standards for Assistance

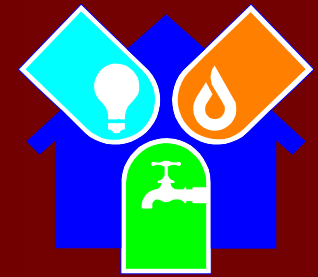
- Rent standard
 - 80% to FMR or community wide exception
- Payment standard
 - Difference between rent standard & 30% of adjusted income
- Minimum tenant payment
 - Established dollar amount OR
 - Percentage of income

Amount of Subsidy



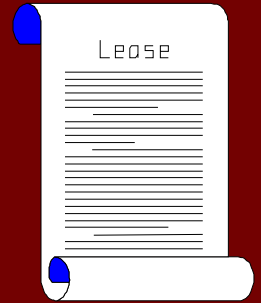
- Amount of subsidy: depends on program design
 - E.g., Section 8 Voucher model: PJ pays difference between its payment standard and 30% of tenant's adjusted income
- Factors affecting PJ's payment:
 - Family's income
 - Payment standard for each bedroom size AND
 - Cost of housing and utilities
- Subsidy contracts cannot exceed two years

Utility Allowance



- PJ must set utility allowance schedule
 - Estimate the average cost of utilities for typical types of housing and various utilities and fuel sources
 - Include water/sewer, electric, gas and trash
 - Telephone and cable T.V. NOT included

Lease Requirements



- Owners' lease must not contain prohibited lease provisions
- Term between tenant and owner must be for at least one year, unless mutually agreed upon
 - Co-terminous with TBRA contract
- PJ must establish termination/non-renewal standards

On-going Responsibility

- Occupancy Requirements
 - Inspections
 - Occupancy Units
- Rent increases
- Recertifications
- Portability: PJs may permit portability:
 - Within the PJ or
 - Outside of the PJ

Anti-Displacement & Relocation

- For displacement:
 - If post-rehab gross rent exceeds TTP, tenant is “rent-burdened”
 - HOME TBRA or Section 8 assistance may be provided
- For relocation assistance
 - HOME TBRA may be alternative for URA replacement housing payment
 - Length of assistance subject to relocation requirements

HUD Guidance

- 24 CFR 92.209: TBRA eligible costs/requirements
- Notice CPD 96-07: Guidance on HOME TBRA
- HOME Model Guides:
 - Tenant Based Rental Assistance: A HOME Program Model (HUD 1658-CPD, HO 1146)
 - Special Needs Housing and the HOME Program (HUD 2001-18-CPD, HO 1206)

Access to TA & Materials

- HUD CDTA/Training: nationwide network of TA
 - Request thru PJ; assigned by HUD field offices
- HOME web page: www.hud.gov/homeprogram/
 - Sign up for the HOME Mailing List
 - Check out the Library (rule, notices, HOMEfires)
 - Training materials & the HOME Front
- Community Connections Clearinghouse:
 - Hard copies: model guides & other publications
 - 1-800-998-9999 or www.comcon.org

Wrap Up

- Final Questions
- Evaluation
- Follow up:
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 - MLFranke@aol.com