



Designing and Implementing an Emergency HOME TBRA Program

Part 1: Initial Program Planning

June 10, 2020



Welcome & Introductions

- Sponsored by HUD's Office of Affordable Housing Programs)
- Presenters
 - Stephen Lathom, Sr. Consultant, TDA Consulting
 - Monte Franke, Franke Consulting Group
- Resources:
 - Webinar PowerPoint Slides
 - Emergency HOME TBRA Program Design Crosswalk – Final Rule Reqs & Suspensions/Waivers
 - Designing and Implementing an Emergency HOME TBRA Program – Program Design Decisions

If you can't hear computer audio,
use conference line:

415-655-0002

Access Code: 920 655 484

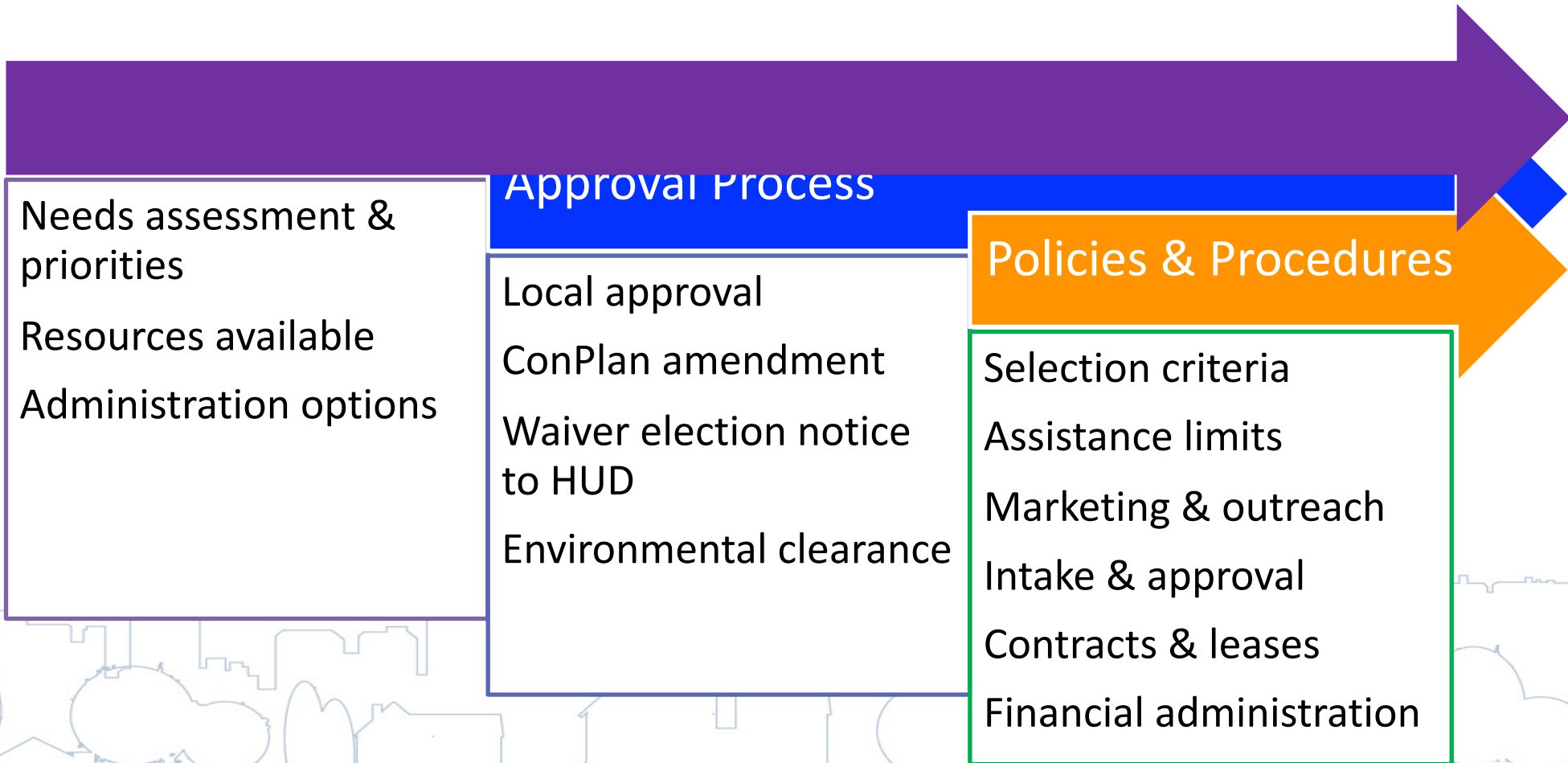
COVID-19 Suspensions & Waivers

- HUD issued two memos on April 10, 2020
 - Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID-19 Pandemic
 - Suspensions and Waivers to Facilitate Use of HOME-Assisted) Tenant-Based Rental Assistance (TBRA) for Emergency and) Short-term Assistance in Response to COVID-19 Pandemic)
 - <https://www.hudexchange.info/programs/home/covid-19/>
- Webinar conducted April 20, 2020
 - <https://www.hudexchange.info/trainings/courses/home-program-covid-19-response-statutory-suspensions-and-regulatory-waivers-webinar/>

Webinar Objective

- Outline a methodical approach to initial program design decisions before notifying HUD:
 - What priority needs do you want to address?
 - What resources are needed (sources & budget)?
 - Who will implement the program?
 - What is the process for approval?
- Also, some policy clarifications that may inform planning, including:
 - CARES Act assistance, back rent, eligible utilities
- First of four planned webinars on Emergency TBRA
 - IDIS (June 16th), Policy & Procedures (June 17th), and Office Hours (June 24th)

Program Design Framework



Prioritizing Needs



Needs Assessment Requirements

- Suspensions/waivers accelerate *formal* assessment steps
 - Suspends analysis & certification of TBRA in ConPlan
 - Assumes need for TBRA, but still must consider needs to prioritize limited assistance
 - Suspends written tenant selection criteria consistent with need)
 - 5-day notice for substantial amendments (instead of 30 days))
- While these expedite the formal process, the PJ still must consider needs as it designs its emergency TBRA program

Analysis of Needs

- What is the extent of “financial hardship”?
 - How many households have lost jobs/income?)
 - How many cannot pay rent?
 - How has that changed from month to month?)
 - How many are homeless or facing homelessness?
 - When do local eviction moratoriums end?
- Who else should we consult?
 - Other agencies/departments with relevant data (e.g., schools, inspections, etc.)
 - Agencies running other programs or acting as clearinghouse
 - Housing counselors, CAP agencies, United Way/211, CoC, etc.

Prioritizing Need

- *Demand will outstrip available funding... likely significantly*
- Program should direct assistance to those most in need:
 - Permanent or temporary loss of employment or income, households facing homelessness?
 - Income – Low income (80%) & Program rule (90% @ 60%) apply; should PJ target even lower?
 - Specific subpopulations disproportionately experiencing hardship?
- Priorities for application intake & triage: Transparent but not burdensome

Resources Available to Address Needs



Coordinating Resources

- HOME is one tool in the toolbox
- What other intervention systems and resources are in place?)
 - Eviction freezes, increases to unemployment compensation, etc.
 - CDBG-CV and ESG-CV funding
 - State/local funding and philanthropic initiatives
- Which resources are “best fit” for different needs, e.g.
 - CDBG for 60-80% AMI who need to catch up on back rent but can now pay...
 - HOME for <60% AMI whose jobs will be slower to return and need longer term of assistance...

Available HOME Funds

- CARES Act did not provide supplemental HOME funding
- Identify uncommitted/available funds from prior years
 - Currently uncommitted funds, including planned commitments that should be postponed
 - Projects/activities that are being or should be canceled
 - Status of CHDO set-aside reservations (availability of set-aside suspension for FY 2017-20)

(Re)allocating HOME for TBRA

- Funding TBRA will involve “*opportunity cost*”
 - New TBRA will come from HOME planned for other activities/projects
 - So will increased administrative funding
- Tradeoffs to consider
 - Which activities can be deferred with lowest impact?
 - What are the impact of set-aside shifts on CHDO survival?
 - Which activities can be supported in other ways?

Program Budget

- Project costs:
 - What forms of assistance will be provided?
 - Rental assistance only, utilities too, security/utility deposits for move-ins
 - Given typical scenario(s), what is the average amount of assistance?
 - How many months? Payment of back rent?
 - Within the available HOME funds how many tenants can be served given assumptions about “typical” cases?
- Admin cost: Depends on administrator & program design
 - Suspension of 10% admin cap
 - Ability to charge TBRA project delivery costs

Program Administration Options



Administration Options

- Key decision – implement directly or oversee another entity?)
 - Subrecipient, State Recipient, contractor
 - Use of another entity does not relieve PJ of responsibility
- What is the PJ's capacity to administer?
 - What are the staffing levels & skill sets?
 - What is the current and evolving workload on staff?
 - Is the PJ able to add staff?
- If outsourcing, what is the role and the process for selection?
 - Administrator role and responsibilities; PJ oversight
 - Procurement of contractors (2 CFR 200 and local requirements)

Administration continued...

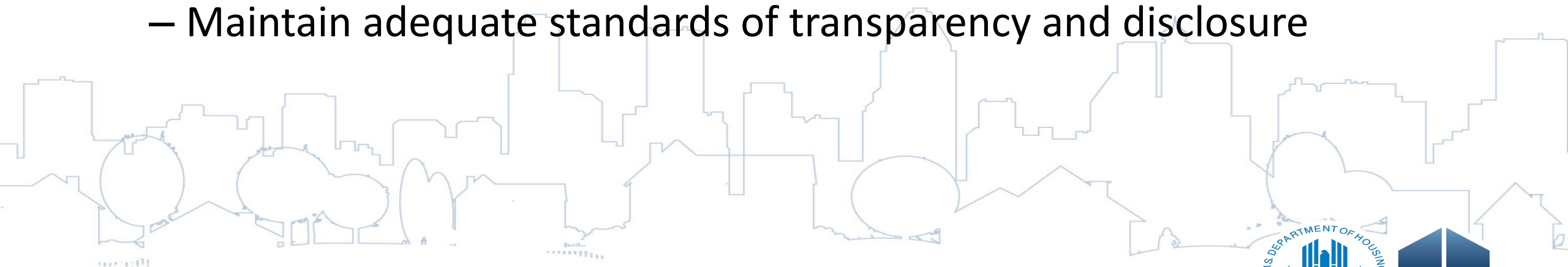
- Administrative budget
 - Costs of either direct implementation or subrecipient or contractor)
 - If using subrecipient/contract, don't overlook PJ's oversight/monitoring costs
 - HOME admin cap & the COVID-19 admin cap suspension (up to 25%)
 - Opportunity for project delivery costs; requires more recordkeeping
- Subrecipient written agreement
 - Do you have a template that can be modified to address COVID-19 suspensions/waivers?

The Approval Process



Now We're Getting There

- Next up, local approvals...
- Determine local approval processes
 - Formal approval – e.g., Council, Mayor, etc.
 - Consultation – ConPlan process
 - Informal consensus building, preview w/ advocacy groups & partners
 - Maintain adequate standards of transparency and disclosure



HUD Approval

- PJ must notify HUD of COVID-19 suspensions and waivers it intends to utilize
 - Send to Field Office AND HOMECOVID19@hud.gov
- ConPlan amendment
 - Confirm whether amendment is “*substantial*” – likely yes
 - Determine Program Years to be amended to reallocate funds
 - Publish for comment period & submit
 - 5 days rather than 30 days

Environmental Review

- PJ determines environmental status of every HOME activity)
 - TBRA Categorically Excluded, Not Subject To §58.5 (CENST)
- Still have to consider §58.6 authorities
 - No units rented within a Coastal Barrier Resource Unit
 - Airport Clear Zones – local option to disallow
 - Flood Plain – encourage flood insurance, local option to disallow
- If no §58.6 issues in PJ, overall program determination – no publication of NOI or RROF from HUD is required
 - If not, may need project-by-project confirmation

Some Policy Questions



Treatment of CARES Assistance

- CARES Economic Impact Payments (\$1,200 stimulus payments)
 - **Not included** in income determination
- Treatment of CARES Act supplemental unemployment
 - Federal Pandemic Unemployment Compensation (FPUC) - additional \$600 per week through July 31 for workers impacted by pandemic, paid through states by federal government – **not included** in income determination
 - Regular state Unemployment Insurance and CARES Act PUA & PEUC extensions of regular UI – **included** in income determination

Back Rent & Utilities

- Generally, can only pay eligible project expenses incurred after project commitment (i.e., tenant/owner TBRA Contract)
 - Suspensions/waivers are effective from 4/10/20
- HUD will allow PJs to pay TBRA rent assistance & utilities that were originally due on or after March 13th
 - May also pay reasonable late fees associated
- PJs must establish local policies (timeframe) for payment

Eligible for Payment of Utility Costs

- HUD will allow payment of:
 - Water/sewer, electric, and gas
- May not pay for:
 - Trash removal (ok if “project paid” and included in rent)
 - Internet/broadband/phone
- Can pay utility company directly or tenant (will require proof of payment to company)

Questions from the Audience



Wrap Up



Next Steps

- Initial program design & approval is just the start
- Implementation will require detailed policies and procedures)
 - Program policies including selection criteria; assistance types, levels, duration, and limits; which waivers to use or not, e.g. tenant contributions, rent reasonableness, etc.
 - Procedures and administrative supports
 - Who does what when – payment flows, documentation standards, etc.
 - What documents get used – application, income determination, subrecipient agreement, TBRA agreement, file checklist, etc.

More Help Coming

- Additional webinars
 - June 16th 2-3pm EDT – HUD holding webinar on TBRA in IDIS)
 - June 17th 1-3pm EDT– Part 2, Developing Policy and Procedures
 - More detailed P&P options and tradeoffs
 - June 24th 1-3pm EDT – Office Hours
- Upcoming guidance and products
 - Sample written agreement between PJ and Subrecipient
 - Sample TBRA contract between PJ/subrecipient, tenant, and owner
 - COVID-19 Tenant income self-certification form(s)

Reminder

- Materials available with webinar:
 - Emergency COVID-19 TBRA Program Design Crosswalk – Final Rule Requirements & Suspensions/Waivers
 - Designing and Implementing an Emergency HOME TBRA Program – Program Design Decisions
 - Slides from today (recording and transcript to follow)

