

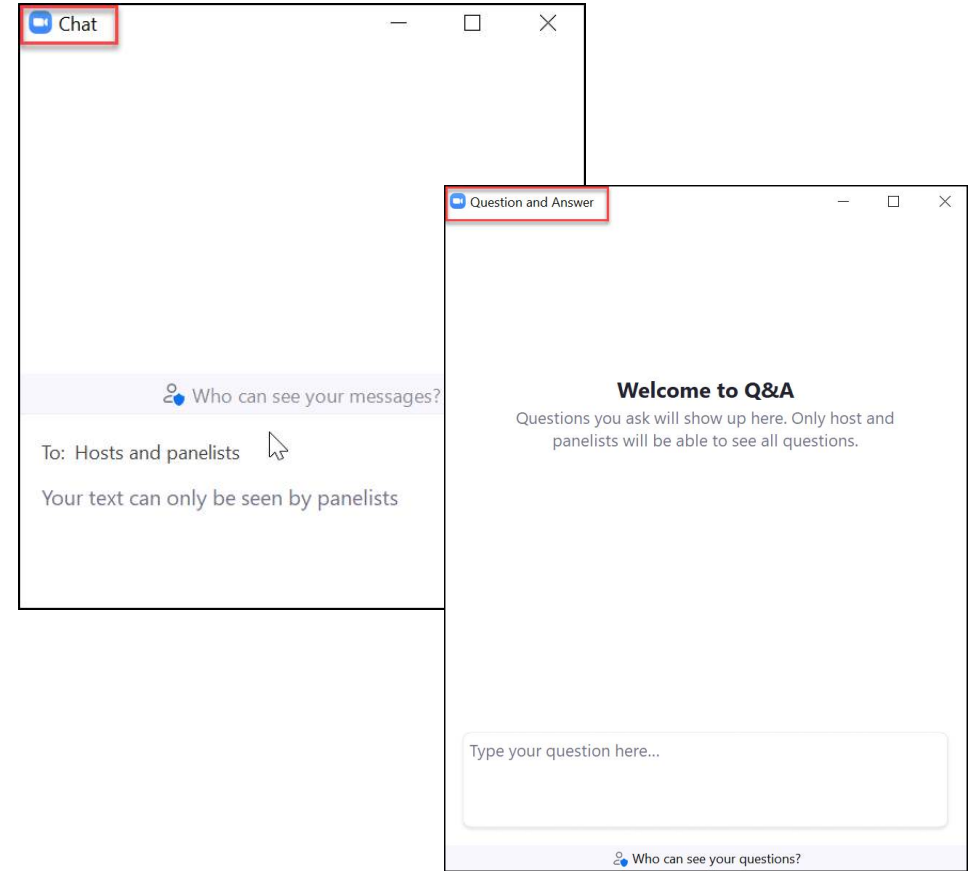


HOME-American Rescue Plan Program Webinar

Session 3: TBRA, Supportive Services, and Non-Congregate Shelter

Logistics

- Attendees have been muted on entry
- For technical questions, please use the Chat box
- For content related questions, please use the Q&A box
 - We encourage you to submit questions throughout the webinar, however due to time constraints we will not facilitate a Q&A portion
- This webinar is being recorded and will be posted on the HUD Exchange





HOME-American Rescue Plan Program Webinar

Session 3: TBRA, Supportive Services, and Non-Congregate Shelter

Today's Presentation

- This is the third in a four-part webinar series on the HOME-American Rescue Plan Program conducted by HUD's Office of Affordable Housing Programs (OAHP)
- Today's Presenters:
 - Chelsea Mullen, Management Analyst, OAHP Program Policy Division
 - Diane Thompson, Assistant Director, OAHP Program Policy Division
 - David Jones, Senior Affordable Housing Specialist, OAHP Program Policy Division



HOME-ARP Tenant Based Rental Assistance

- HOME-ARP TBRA allows PJs to assist qualifying households with payments for housing related costs.
 - A PJ may provide assistance to cover the entire cost or insufficient amounts that the qualifying household cannot pay.
- HOME-ARP TBRA is tenant based.
 - This assistance is attached to the household and not a particular rental unit. A household may move to another unit with continued assistance as long as the unit meets applicable property standards.



HOME-ARP TBRA: Program Characteristics

- Eligible Costs include:
 - Rental assistance
 - Security deposit payments
 - Utility payments, as part of rental assistance
 - Utility deposit payments, as part of rental assistance or security deposit assistance
- HOME-ARP TBRA sponsors
- Higher subsidy amounts
- PJ chooses term of contract
- If used in HOME or HOME-ARP rental unit, inspections deferred
- Cannot be used in connection with homebuyer programs



HOME-ARP TBRA: Eligible and Ineligible Costs

- Eligible Costs

- Rental assistance
- Security deposit payments
 - May not exceed 2 months rent for the unit
- Utility deposit payments
 - Eligible only if rental assistance or security deposit payment provided
- Costs of housing inspections
- Administration of HOME-ARP TBRA
 - Only under general management and oversight and coordination at 24 CFR 92.207(a)

- Ineligible Costs

- Homebuyer program as defined at 24 CFR 92.209(c)(2)(iv)



HOME-ARP TBRA: Program Requirements

- Portability of Assistance
 - Requirements at 24 CFR 92.209(d) apply.
 - The PJ may require household to use TBRA within PJ's boundaries or may permit household to use assistance outside of boundaries.
- Term of rental assistance contract
 - Requirements at 24 CFR 92.209(e) are waived.
 - The PJ must determine the maximum term of the rental assistance contract.
 - The term may be renewed, subject to the availability of HOME-ARP funds.
- Maximum Subsidy
 - The PJ must establish policies for the allowable maximum subsidy and for determining any household contribution.
 - Up to 100% subsidy for housing costs may be provided.



HOME-ARP TBRA: Program Requirements (cont'd)

- Rent Standard
 - Consistent with 24 CFR 92.209(h)(3)
 - The PJ must establish a rent standard by unit size that is based upon local market conditions or the section 8 Housing Choice Voucher program under 24 CFR part 982.
 - The PJ must disapprove a lease if the rent does not meet the PJ's rent standard for HOME-ARP TBRA.
- Housing Quality Standards
 - Housing must comply with standards required at 24 CFR 982.401 (or successor inspection standards issued by HUD).
 - If a tenant is residing in a HOME or HOME-ARP unit, the PJ may defer to initial and ongoing inspection standards.



HOME-ARP TBRA: Program Requirements (cont'd)

- Program Operation
 - A HOME-ARP TBRA program may be administered by the PJ or contracted to a PHA or other entity.
 - The PJ must approve the lease
 - There must be a rental assistance contract with
 1. an owner that leases a unit to a qualifying household;
 2. the qualifying household; **or**
 3. an owner and the qualifying household in a tri-party contract



HOME-ARP TBRA with a HOME-ARP Sponsor

- Role of a HOME-ARP Sponsor
 - A sponsor is a nonprofit organization that provides housing or supportive services to qualifying households and facilitates the leasing of a HOME-ARP rental unit to a qualifying household or the use and maintenance of HOME-ARP tenant-based rental assistance by a qualifying household.



HOME-ARP TBRA with a HOME-ARP Sponsor (cont'd)

- Rental Assistance Contract
 - Rental subsidy payments are made on behalf of the household pursuant to a rental assistance contract.
 - There must be a contract between the PJ and at least one of the following:
 - HOME-ARP sponsor;
 - Qualifying household; **or**
 - Owner of the housing



HOME-ARP TBRA with a HOME-ARP Sponsor (cont'd)

- Lease and Sublease
 - Executed leases and subleases must meet the tenant protection requirements at 24 CFR 92.253(a).
 - The lease agreement may be between the project owner and the ARP-TBRA household or PJs may permit a HOME-ARP sponsor to execute a lease for an individual unit or a master lease for more than one unit restricted for occupancy by HOME-ARP TBRA households with an owner.
 - If the lease agreement is between the HOME-ARP sponsor and owner, the sponsor must execute a sublease agreement with the household.



HOME-ARP TBRA with a HOME-ARP Sponsor (cont'd)

- Written Agreement
 - The PJ must enter into a written agreement with the sponsor if the assistance contract is not with the sponsor and the sponsor will be receiving the HOME-ARP TBRA subsidy directly from the PJ.
 - The written agreement must specify:
 - The requirements for the sponsor receiving TBRA subsidy on behalf of the qualifying household; and
 - The sponsor's obligation to provide TBRA payments to the owner for the unit's required rent.





HOME-ARP Supportive Services

HOME-ARP Supportive Services

- HOME-ARP funds may be used to provide a broad range of supportive services:
 - Qualifying individuals or families
 - Separate activity or in combination with other HOME-ARP activities.
 - Not already receiving these services through another program.
- There are three categories of eligible supportive services under HOME-ARP:
 - McKinney Vento
 - Homelessness Prevention
 - Housing Counseling



McKinney-Vento Supportive Services

- McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act



Homelessness Prevention

- HOME-ARP Homelessness Prevention Services adapted from eligible homelessness prevention services under the following Emergency Solutions Grant (ESG) regulations:
 - 24 CFR 576.102
 - 24 CFR 576.103
 - 24 CFR 576.105
 - 24 CFR 576.106
- ESG requirements are revised, supplemented, and streamlined under the HOME-ARP supportive services activity



Housing Counseling

- Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at 24 CFR 5.100 and 5.111, respectively
- Only provided by HUD-certified counselors
- Program requirements and administration under 24 CFR part 214 apply to the provision of HOME-ARP
- Housing Counseling supportive services related to current homeowners do not apply



Housing Counseling – Eligible Services

Rental Housing Counseling Topics	Pre-Purchase Homebuying Topics	Homeless Services Topics
HUD rental and rent subsidy programs	Advice regarding readiness and preparation	Homeless assistance information regarding emergency shelter
Other federal, state, or local assistance	Federal Housing Administration insured financing	Other emergency services
Fair housing	Housing selection and mobility	Transitional housing
Rental search assistance	Housing search assistance	Referral to local, state, fed resources
Landlord tenant laws	Fair housing and predatory lending	
Lease terms	Budgeting and credit	
Rent delinquency	Loan product comparison	
Referrals to local, state & Federal Resources	Purchase procedures and closing costs	
	Referrals to local, state, fed resources	



Housing Counseling – Ineligible Services

Resolving or Preventing Mortgage Delinquency

- Default
- Foreclosure
- Loss mitigation
- Budgeting
- Credit

Home Maintenance and Financial Management for Homeowners

- Escrow funds
- Budgeting
- Refinancing
- Home equity
- Home improvement
- Utility costs
- Rights & responsibilities of homeowners
- Reverse mortgages



Supportive Services - Eligible Costs

- All qualifying individuals and families are eligible to receive supportive services under the supportive services activity
- The PJ must establish requirements for documenting eligible costs for an individual or family in a qualifying population as *McKinney-Vento* supportive services, *homelessness prevention* services, or *Housing Counseling*
- If a person is homeless, then the person is eligible to be provided the supportive services as *McKinney-Vento supportive services* for the costs allowable under the Notice



Supportive Services Eligible Costs – cont'd

- If a person is housed and the supportive services are intended to help the program participant:
 - regain stability in the program participant's current permanent housing; or
 - move into other permanent housing to achieve stability in that housing

Eligible for *homelessness prevention services* for costs allowable under the Notice

- *Housing Counseling* services may be provided regardless of whether a person is homeless or currently housed.



McKinney Vento Supportive Services and Homelessness Prevention Services – Eligible Costs

- Child care
- Education services
- Employment assistance and job training
- Food
- Housing search and counseling services
- Legal Services
- Life skills training
- Mental Health Services
- Outpatient Health Services
- Outreach Services
- Substance abuse treatment services
- Transportation
- Case management
- Mediation
- Credit Repair
- Landlord/tenant liaison
- Services for special populations
- Financial Assistance Costs



Eligible Financial Assistance Costs

- Rental Application Fees
- Security Deposits
- Utility Deposits
- Utility Payments
- Moving Costs
- First and Last Month's Rent
- Payment of Rental Arrears
- Short-term Financial Assistance for Rent
- Medium-term Financial Assistance for Rent



HOME-ARP and ESG Financial Assistance Costs

Similarities and Differences

Similarities:

- Rental Application Fees
- Payment of Rental Arrears
- Utility Deposits
- Utility Payments
- Moving Costs

Differences:

- First and Last Month's Rent
 - ESG - last month's rent only
 - HOME-ARP – Includes 1st month's rent and must be tracked for total financial assistance allowable
- Security Deposits
 - HOME-ARP 1st and last month rent distinction
- Short and Medium-term Financial Assistance for Rent



HOME-ARP and ESG Financial Assistance Costs - Short and Medium-term Financial Assistance for Rent Key Differences

HOME-ARP

- Maximum Period of Use:
 - Total not to exceed 24 months during any 3-year period, including any payment for *first* and last month's rent
- Financial Assistance Agreement (FAA)
- Habitability (*PJ policy*)
- VAWA requirements – 24 CFR 92.359

ESG

- Maximum Period of Use:
 - Total not to exceed 24 months during any 3-year period, including any payment for last month's rent
- Rental Assistance Agreement (RAA)
- Habitability (*24 CFR 576.403(c)*)
- VAWA requirements – 24 CFR 576.409
- Project-based assistance



HOME-ARP and ESG Financial Assistance Costs - Short and Medium-term Financial Assistance for Rent Similarities

- Short-term: up to 3 months
- Medium term: more than 3 months but no more than 24 months
- FAA/RAA standards:
 - Must set forth terms under which rental assistance will be provided
 - Must give copy of any notice to program participant to vacate/eviction to PJ
- Lease Standards:
 - Legally binding
 - Written lease (between the owner and participant)
- Exception - rental arrears
- Compliance with FMR and Rent Reasonableness
- Late Payments:
 - FAA/RAA must contain same payment due date grace period and late payment penalty payment due date, grace period, and late payment penalty requirements as program participant's lease
 - PJ must make timely payments to owner
 - PJ is solely responsible for paying (with non-HOME-ARP funds) late payment penalties that it incurs



HOME-ARP and ESG Financial Assistance Costs - Short and Medium-term Financial Assistance for Rent Similarities

- Ineligible Costs:
 - Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources
 - Financial assistance also cannot be provided to a program participant who has been provided with replacement housing payments under the Uniform Relocation Act of 1970, as amended
 - Implementing regulations at 49 CFR part 24, or Section 104(d) of the Housing and Community Development Act of 1974 and its implementing regulations at 24 CFR part 42, during the period of time covered by the replacement housing payments



Eligible Costs – Housing Counseling

- Staff salaries and overhead costs of HUD-certified housing counseling agencies for direct housing counseling services
- Costs to provide eligible services
- Development of a housing counseling workplan
- Marketing and outreach
- Intake
- Financial and housing affordability analysis
- Action plans
- Follow-up communication with program participants
- Pre-purchase homebuying, counseling, education, and outreach



Eligible Costs – PJ Responsibility

- PJs must document which types of supportive services they wish to offer program participants
- If PJs are using a supportive services provider, PJs must document in their written agreements with supportive service providers whether they are authorizing *McKinney-Vento* supportive services, *homelessness prevention* services, *Housing Counseling* services or some combination of the three



Eligible Costs and 2 CFR Part 200

- 2 CFR part 200 Cost Principles apply to the HOME-ARP supportive services activity
- If a program participant is already receiving the same eligible supportive service or has been approved to receive the same service through another program or provider, the program participant does not have a need for the HOME-ARP service and the costs related to the service do not comply with the Cost Principles.



Commitment

- For supportive services, commitment mean before disbursing any HOME-ARP funds to any entity, PJ has executed a legally binding written agreement that complies with HOME-ARP requirements with the contractor or subrecipient providing the supportive service



Policies and Procedures

- PJs must establish policies and procedures for the HOME-ARP supportive services activity, including:
- Tenant selection procedures in accordance with the Notice
- Eligibility of program participants in other HOME-ARP activities for supportive services including:
 - Length of time that program participants may be served by HOME-ARP TBRA and/or HOME ARP rental housing before no longer being eligible as a qualifying population for purposes of the supportive services activity



Policies and Procedures – cont'd

- If PJ chooses to set maximum amounts and/or maximum periods for assistance or services:
 - Maximum dollar amount that a program participant may receive for each type of service; and/or
 - Maximum periods for which a program participant may receive any of the types of assistance or services under the supportive services activity
- Documentation of eligible costs
- Requirements that allow a program participant to receive only the HOME-ARP services needed so there is no duplication of services or assistance in the use of HOME-ARP funds for supportive services
- Termination of assistance to program participants



Termination of Assistance

- PJ may terminate assistance to a program participant who:
 - violates program requirements
 - conditions of occupancy
 - no longer needs the services as determined by the PJ
- Termination does not bar the PJ from providing further assistance at a later date to the same individual or family under the HOME-ARP notice



Termination of Assistance – cont'd

- Due process
 - PJ must establish policies and procedures for termination of assistance to program participants
 - The PJ must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law
- This process at a minimum must consist of providing program participants with:
 - Written copy of the program rules and the termination process
 - Written notice containing a clear statement of reasons for termination
 - A review of the decision
 - Program participant given opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision
 - Prompt written notice of final decision to program participant



Termination of Assistance – cont'd

- During termination process the PJ must:
 - Provide effective communication and accessibility for individuals with disabilities, including the provision of reasonable accommodations
 - Provide meaningful access to persons with LEP





Non-Congregate Shelter

Non-Congregate Shelter (NCS)

For purposes of HOME-ARP, NCS is defined as one of more buildings that:

- Provide private units or rooms for temporary shelter
- Serve individuals and families that meet one or more of the qualifying populations
- Do not require occupants to sign a lease or occupancy agreement



NCS - Eligible Activities

- Acquisition of structures to be used as NCS
 - Rehabilitation not required because structure is in standard condition
- New Construction of structures to be used as NCS
 - With or without land acquisition
- Rehabilitation of existing structures (such as motels, nursing homes, or other facilities) to be used as NCS
 - With or without acquisition



NCS - Eligible Costs

HOME-ARP funds may be used for:

- Acquisition Costs
- Demolition Costs
- Development Hard Costs
- Related Soft Costs
- Replacement Reserve



NCS - Prohibited Costs

HOME-ARP funds may not be used to:

- Pay ongoing costs of operating HOME-ARP NCS
- Convert NCS to housing
- Pay for prohibited activities and fees as specified under § 92.214 and included in the Notice.



HOME-ARP NCS

- Remain as HOME-ARP NCS as originally developed
- Be used as NCS under the Emergency Solutions Grants (ESG) program
- Be converted to permanent affordable housing as established in Section VI.E.11 of the Notice.
- Be converted to CoC permanent housing



Remain NCS

- No change in use during the Restricted Use Period
- Operated as originally specified in the written agreement
- Serve the same population



Use as ESG

- NCS must be operated in compliance with all requirements at 24 CFR part 576 that apply when ESG funds are provided for operating costs or essential services in the shelter.
- During any period for which ESG funds are provided, the applicable ESG requirements shall govern in the event of any conflict with HOME-ARP requirements.



NCS Conversion to Permanent Affordable Housing

- NCS is converted to permanent affordable housing according to the requirements established in Section VI.E. 11 of the Notice
- Conversion only after a minimum use period as NCS
- May serve different population from original



NCS Conversion to CoC Permanent Housing

- NCS is converted to permanent housing as defined in Subtitle C of title IV of the McKinney-Vento Homeless Assistance Act (42 USC 11381 et seq.) according to requirements of this Notice and 24 CFR part 578.
- Conversion only after a minimum use period as NCS
- Must serve eligible CoC populations



NCS - Admission and Occupancy

- NCS occupants must meet the criteria for one or more of the qualifying populations.
- PJs are encouraged to incorporate each HOME-ARP NCS into the Coordinated Entry System (CE)
- CE must be used in accordance with the Notice.
- No denial of admission or removal from a NCS unit on the basis or as a direct result of the fact that the individual or family is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking if the individual or family meets the criteria of one of the qualifying populations.



NCS - Commitment

HOME-ARP funds are committed:

- When the PJ executes a legally binding written agreement that meets the requirements in this Notice.



NCS - Commitment – Acquisition Only

PJ may commit HOME-ARP funds if:

- NCS can be operated within 6 months of the date of acquisition.
- Units acquired will not require rehabilitation to meet the property standards in Section VI.E.7 of the Notice.



NCS - Commitment – Rehabilitation / New Construction

PJ may commit HOME-ARP funds if:

- Development can begin within 12 months of commitment date



NCS - Project Development Due Diligence

Before funding NCS, PJs must:

- Determine project is financially feasible.
- Review information from the owner and/or developer that demonstrates the project's financial feasibility throughout the restricted use period.
- Must determine whether the owner intends to continue operating the project as HOME-ARP NCS or convert to housing after the minimum use period.



NCS - Project Development Due Diligence

Before awarding funds for NCS, the PJ must require:

- Developer submit evidence of appropriate shelter development skills and experience
- Owner to submit evidence of prior experience operating shelters.
- Acquisition or development budget, timeline, and sources and uses statement be submitted for review.
- Owner to submit a proposed operating budget, including secured sources for operating costs and any operating gap that will require additional assistance.



Continue NCS vs Conversion

Prior to commitment, PJs should:

- Determine whether the owner intends to continue operating the project as HOME-ARP NCS or ESG
- Convert to permanent affordable housing or CoC permanent housing

Conversion of NCS will involve a higher level of planning in all stages of the development process and should be addressed in the written agreement.



NCS - Property Standards

HOME-ARP NCS units and common areas must:

- Meet all applicable State and local codes, ordinances, and requirements
- HUD's Lead Safe Housing Rules at 24 CFR Part 35.

Projects must meet HOME-ARP NCS Minimum Property Standards throughout the restricted use period.



NCS - Property Standards

Project classification as:

- Acquisition Only
- Rehabilitation
- New Construction

Is determined by the PJ's local code requirements based on specific work to be performed.



Property Standards- Acquisition Only

Must:

- Meet the HOME-ARP NCS minimum property standards described in the Notice at the time of acquisition.
- Be occupied and operated as NCS without any rehabilitation



Property Standards- Rehabilitation

Must:

- Meet all applicable State and local codes, ordinances, and requirements , or in the absence of such codes, International Residential Code or International Building Code (as applicable) and must comply with Lead Safe Housing Rule at 24 CFR Part 35.
- Consider remaining useful life of major systems.
- Determine remaining useful life of major systems through a Capital Needs Assessment.



Property Standards – New Construction

Must:

- Meet all applicable State and local codes, ordinances, and requirements, or in the absence of such codes, the International Residential Code or the International Building Code (as applicable to the type of structure).



Ongoing Property Standards & Inspections

PJs must:

- Develop ongoing inspection procedures
- Require annual inspection
- Perform follow-up Inspections to verify any deficiencies are corrected within 6 months
- Ensure properties meet minimum standards throughout Restricted Use Period.
- Life-threatening deficiencies corrected immediately. PJ re-inspect to verify the deficiency has been corrected within 14 days.



NCS - Project Completion

- All necessary title transfer requirements and construction work has been performed;
- The project complies with the requirements of this Notice, including the HOME-ARP NCS property standards as evidenced by a final inspection;
- The project is actively operating as a HOME-ARP NCS;
- Final drawdown of HOME-ARP funds has been disbursed; and
- Project completion information is entered into IDIS.



NCS - Restricted Use Period

PJs must:

- Comply with the requirements of this Notice for not less than the restricted use period specified in this Notice.
- Impose the HOME-ARP NCS requirements through a deed restriction
- Duration of Restricted Use Period based on activity type
 - New Construction
 - Rehabilitation
 - Acquisition Only



NCS - New Construction

Must:

- Be operated as HOME-ARP NCS units for qualifying populations for a restricted use period of 15 years, regardless of the amount of HOME-ARP funds invested in the project.



NCS - Rehabilitation

Must:

- Be operated as HOME-ARP NCS units for qualifying populations for a restricted use period of 10 years, regardless of the amount of HOME-ARP funds invested in the project.



NCS - Acquisition Only

Must:

- Serve the qualifying populations for a restricted use period of 10 years.



NCS - Minimum Use Period

All HOME-ARP NCS projects must be operated as NCS for a minimum period of time prior to conversion. The minimum use period prior to conversion varies based on the original HOME-ARP NCS eligible activity undertaken and the amount of funds invested in the project.

- Acquisition Only: 3 years
- Moderate Rehabilitation: 5 years if Total Investment < 75% Appraised Value
- Substantial Rehabilitation: 10 Years if Total Investment > 75% Appraised Value
- New Construction 10 Years



NCS - Replacement Reserve

HOME ARP funds can capitalize a replacement reserve to pay the reasonable and necessary costs of replacing major systems and their components whose useful life will end during the restricted use period.

- Major systems include:
 - Structural Support
 - Roofing
 - Cladding & Weatherproofing
 - Plumbing, Electrical & HVAC.



Return of Replacement Reserve

If NCS Project continues as NCS:

- Projects can retain the replacement reserve to pay reasonable and necessary costs



Return of Replacement Reserve – cont'd

If NCS project Will Not Continue as NCS:

- Remaining funds in replacement reserve must be returned to the PJ's HOME Treasury Account



Return of Replacement Reserve – cont'd

If the HOME-ARP grant has expired or closed out, remaining funds in the replacement reserve must be:

- Deposited in the PJs local HOME account
- Recorded as program income receipt in IDIS
- Used for eligible costs under 24 CFR part 92



Permanent Affordable Housing

Must:

- Not invest additional ARP funds to Convert
- Not pay for operating
- Determine adequate financial resources are committed to the project to meet property standards of Section VI.B.11 of this Notice.
- Maintain the financial feasibility of the project to be operated as permanent affordable housing for the qualifying populations throughout the remaining restricted use period.
- Develop and evaluate the project in accordance with standardized underwriting guidelines for conversion



Permanent Affordable Housing

- PJ must amend the use restriction for HOME-ARP NCS to reflect the conversion to permanent affordable housing
- The provisions for imposing affordability requirements at 24 CFR 92.252(e)(1) through (e)(4) apply to the amended use restriction.
- Amended use restriction for the permanent affordable housing must be enforceable to maintain compliance with the requirements of this Notice



Minimum Compliance Period

Converted housing:

- Must continue to comply with the requirements of the Notice
- Must fulfil the balance of the HOME-ARP NCS restricted use period.



CoC Permanent Housing

NCS can be converted to CoC permanent housing (including permanent supportive housing) to serve the following eligible households as defined in 24 CFR 578.3:

- Chronically homeless individuals
- Homeless individuals or families



CoC Permanent Housing

PJ are encouraged to:

- Pursue partnership and leveraging opportunities with the CoC early in the planning stage of a HOME-ARP NCS project.
- Provide ARP supportive services or TBRA to qualifying households that must move as a result of conversion.





Thank You!