HOME Program Monitoring Series

Session 8: Tenant-Based Rental Assistance (TBRA)

Spring 2021

Overview

Presenters

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Kris Richmond

HOME Monitoring Webinar Series Overview

Understanding Monitoring April 13, 2021		

General Administration

Program Oversight and Financial Management; Match Exhibits: 7-25 | 7-33 April 15, 2021	CHDO Exhibit: 7-32 April 20, 2021	Oversight of Program Partners & Their Written Agreements Exhibits: 7-34 | 7-35 | 7-36 April 22, 2021

Homeowner

Homebuyer Development Exhibit: 7-27 April 27, 2021	Homebuyer Assistance Exhibit: 7-28 May 4, 2021	Homeowner Rehabilitation Exhibit: 7-26 May 11, 2021

Rental

Rental Exhibit: 7-29 April 29, 2021	TBRA Exhibit: 7-31 May 6, 2021	Long-Term Rental Compliance Exhibit: 7-30 May 13, 2021

Webinar Objectives

- Introduce the CPD Monitoring Guide Exhibit 7-31 & HUD monitoring of PJ for TBRA program requirements
- Identify the policies & procedures & documentation required for ensuring compliance for TBRA activities
  - Whether administered directly by the PJ or by a subrecipient (with PJ monitoring)
- Identify strategies for effective administration of TBRA activities
- Recommend steps to prepare for HUD monitoring

EQUAL HOUSING
OPPORTUNITY

How Much Experience Do You have Working in TBRA?

A. Less than 1 year

B. 1-5 years

C. 5+ years

Regulatory Requirements

HOME Final Rule Part 92 TBRA Requirements

- 24 CFR 92.209
- TBRA is a rental subsidy that PJs can use to provide assistance with:
  - Rent
  - Tenant paid utilities (utility allowances)
  - Security and utility deposits

TBRA Requirements in the Final Rule

TBRA-specific requirements: §92.209

Additional project requirements:	Program administrative requirements:
§92.203 – Income determinations	§92.2 – Definition of commitment
§92.216 – Income targeting: TBRA & Rental	§92.502 – IDIS Project Set-up and disbursement
§92.253 – Tenant protections and selection	§92.504 – PJ responsibilities; written agreements; procurement
§92.356 – Conflict of interest	§92.508 – Recordkeeping
§92.359 – VAWA requirements	

Exhibit 7-31 Q #s here

Introduction to CPD Monitoring Exhibit 7-31

Exhibit 7-31   6509.2 REV-7 CHG-1
HOME Program

Guide for Review of Tenant-Based Rental Assistance (TBRA) Projects and/or Policies & Procedures	
Participating Jurisdiction:	**Subrecipient:**Click or tap here to enter text.
PJ Staff Consulted: Click or tap here to enter text.	
Name of HUD Reviewer(s): Click or tap here to enter text.	**Date of Review:**Click or tap here to enter text.
Type of Monitoring Review:	☐ Project File Review ☐ Policies & Procedures Review ☐ Combined: Project <u>and</u> Policies & Procedures Review

NOTE: All questions contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance.

File Selection Summary (Required)	
Program Year(s) Reviewed:	Click or tap here to enter text.
Number of Files Reviewed:	Click or tap here to enter text.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

EQUAL HOUSING OPPORTUNITY

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Order of Discussion of Monitoring Topics

Regulatory Requirements			Program Design
Participant Selection	Delivery of Assistance	Administration & Monitoring	Program Design & Operational Considerations (beyond Regulatory Requirements)
Selection Procedures	Property Requirements	Eligible Costs	Targeting
Project Underwriting	TBRA Subsidy	Procurement	Administrative Efficiencies
HOME Subsidy	Contract & Lease	Recordkeeping	

Monitoring of TBRA Program Requirements

Discussion of Topic Areas

Requirements
- Key regulatory requirements on which the Exhibit Questions are based

Documentation
- Items that must be documented to demonstrate compliance, including both policies & procedures and file documentation

Compliance Review
- Compliance determinations that go beyond basic file documentation (as needed)

Program Approval & Commitment/Set-up

Consolidated Plan Certification	Commitment & IDIS Set-Up
PJ may use HOME funds for TBRA only if: • PJ makes the certification about inclusion of this type of assistance in its consolidated plan • PJ specifies local market conditions that lead to the choice of this option	Following execution of written agreement or rental assistance contract, PJ may set up project in IDIS: • HOME FACTS 9.1: Set Up, Fund, and Complete HOME TBRA Activities in IDIS (also June 2020 Webinar)

Participant Selection

Requirements

- Written tenant selection policies & criteria
- Procedures for consistent policies application

Documentation

- Written tenant selection policies
- If preferences, supporting documentation

Compliance Review

- Tenant selected following selection policies
- PJ determined tenant is not a student

If Preference for Special Needs/Disabilities

Requirements

- Included in tenant selection policies & eligibility criteria
- PJ's policies must provide that services are **not** mandatory

Documentation

- If preferences, supporting documentation

Compliance Review

- Preferences consistently applied
- Tenant/household meet the special needs eligibility criteria

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Program Options

Additional program options (PJ may choose, but not required):

- Self-sufficiency program
  - Assistance cannot be terminated if household ends participation in program
- Lease-purchase program
  - Assistance must be used for rent, not down payment
  - Limited to 36 months
- Portability of assistance
  - If portable, may use outside jurisdiction

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Income Determinations

Requirements

- Low Income tenants – 80% AMI
  - Also 90% @ 60% program rule
- Income definition & documentation
- Procedures: Annual determination

Compliance Review

- Consistent use of one definition
- Consistent projection of income

Documentation

- Income eligible under the limits
- Income projected correctly
  - Definition inclusions/exclusions
  - Projection for all HH members
- Within 6 months of assistance
- 2 months source documentation
- Annual re-determination

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Property Standards

Requirements

- Housing Quality Standards (HQS): minimum criteria
- Unit must be inspected annually

Documentation

- HQS inspection done at time of lease (dated, signed)
- Unit met HQS (and lead-based paint) by lease execution
- Annual HQS inspection conducted and documented

Property Standards Tool: https://files.hudexchange.info/course-content/home-monitoring-webinar-series-chdos/HOME-Monitoring-Property-Standards-Handout.pdf

TBRA Subsidy

Requirements

- Rent standard
- Rent reasonableness
- Tenant contribution
- Rental subsidy

Documentation

- PJ's program policies - rent standard and minimum tenant contribution
- Calculation of HOME subsidy & tenant contribution based on adjusted income
- If security deposit assistance was provided, amount is ≤ 2 months' rent

Contract Execution

Requirements

- Rental Assistance Contract: amount, term, rent reasonableness, annual inspections, tenant protections
- If rental assistance contract only with owner, written agreement with family

Documentation

- Signed contract in file
- Tenant written agreement, if Contract not with tenant

Compliance Review

- If self-sufficiency program, compliance requirements for self-sufficiency

EQUAL HOUSING OPPORTUNITY

Lease Provisions

Requirements

- Lease required
- Tenant protections (92.253)
- PJ has reviewed/approved lease

Documentation

- Lease includes tenant protections
- Lease includes VAWA lease addendum (if post-12/16/16)
- Lease is for one-year or an agreed-upon term
- PJ reviewed and approved lease

Other Administrative Requirements

Cost Eligibility	Contractor	Records
• Ensure all HOME costs are eligible	• If PJ procures contractor to administer TBRA, procurement requirements including a written agreement • Monitoring Exhibits 7-34 & 34-3a	• Retain records for 5 years after assistance terminates

Which is the Correct Rental Subsidy for HOME TBRA?

A. 80% of the rent

B. Subsidy is the same for all households as written in the PJ's policies

C. Subsidy amount varies by household based on several standards

Program Design Considerations: Enhancing TBRA Programs

Program Targeting

Limits of HOME TBRA

- 24-month limit on assistance (but can be renewed)
- Must meet 90% at 60% Program Rule
- Limited resources (many other uses of HOME)

Role of HOME TBRA

- Fill gaps between needs and other resources

Targeting HOME TBRA

- Program options: self-sufficiency, lease-purchase
- Use of preferences or priorities to target funds

Administrative Model/Entity

- PJ can administer directly or use a subrecipient or contractors
  - PHAs and many nonprofits have experience administering rental assistance
  - If program is targeted to a special population, there might be agencies that are experienced with that population
- PJs: may have changing capacity (staffing changes, other programs)
  - Is TBRA administration a good use of PJ staff?
- Also need to consider administrative budget & resources
  - Can a subrecipient or contractor do it more effectively and efficiently?
- If outside entity, is the PJ set up to monitor the entity and the program?
  - PJ must monitor contractors and subs at least annually.
  - If contractor, subject to procurement requirements

Administrative Considerations and Efficiencies

IDIS

- HOME FACTS guidance on set up, funding and completing TBRA Activities in IDIS

Inspectors

- Training for inspectors
- HQS and LBP

Project Delivery Costs

- Income determinations and inspections

Lease

- Use of standard lease or addenda

Rental Assistance Contract

- Three party contract v. separate tenant written agreement

Preparing for HUD Monitoring

CPD Monitoring Handbook Exhibit 7-31 - TBRA

Guide for Review of TBRA Projects and/or Policies & Procedures

Exhibit 7-31
HOME Program

6509.2 REV-7 CHG-1

Guide for Review of Tenant-Based Rental Assistance (TBRA) Projects and/or Policies & Procedures	
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Document Assembly

- IDIS reports
- DPA P&Ps
  - Address homebuyer outreach, intake, eligibility & qualification, including underwriting
- Resale/Recapture provisions
- Applicable HOME limits: income, max per unit subsidy, max purchase price
- Written agreement templates
- Past monitoring
- Citizen input
- Exhibits 7-24 and 7-28

Self-assessment

HUD Monitoring

Preparing for HUD: Self-Assessment

Document Assembly

Self-assessment
- P&Ps review
- Documentation review
- Monitoring questions review

HUD Monitoring

Pre-monitoring Self-assessment

Regulatory Compliance

- Policies and procedures
- Written agreements and docs
- Regulatory limits and requirements
- Eligibility documentation

Program Performance

- Program status (IDIS)
- Production vs. ConPlan goals

Monitoring & Evaluation

- PJ monitoring
- Response to prior monitoring
- Citizen comments/media
- Staff skills/training
- Changes to program

https://files.hudexchange.info/course-content/home-monitoring-webinar-series-understanding-monitoring/HOME-Monitoring-PJ-Self-Assessment-Handout.pdf

Resources & Tools

CPD Monitoring Handbook

CHAPTER 7: HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)	WORD
Optional Attachments 7-0 (4 files), Exhibits 7-1 through 7-23, and Attachment 7-1 – (REMOVED)	
Exhibit 7-24 - HOME Pre-Monitoring Checklist	WORD
Exhibit 7-25 - Guide for Review of Program Oversight, Financial Management, and Cost Allowability	WORD
Exhibit 7-26 - Guide for Review of Homeowner Rehabilitation Projects and/or Policies & Procedures	WORD
Exhibit 7-27 - Guide for Review of Homebuyer Development and/or Rehabilitation Projects and/or Policies & Procedures	WORD
Exhibit 7-28 - Guide for Review of Homebuyer Downpayment Assistance Projects and/or Policies & Procedures	WORD
Exhibit 7-29 - Guide for Review of Rental Development or Rehabilitation Projects and/or Policies & Procedures	WORD
Exhibit 7-30 - Guide for Review of Rental Project Compliance and/or Policies & Procedures	WORD
Exhibit 7-31 - Guide for Review of Tenant-Based Rental Assistance (TBRA) Projects and/or Policies & Procedures	WORD
Exhibit 7-32 - Guide for Review of Community Housing Development Organization (CHDO) Qualifications, Projects, and/or Policies & Procedures	WORD
Exhibit 7-33 - Guide for Review of Match Requirements	WORD
Exhibit 7-34 - Guide for Review of Contractor Written Agreements	WORD
Exhibit 7-35 - Guide for Review of State Recipient Written Agreements and Oversight	WORD
Exhibit 7-36 - Guide for Review of Subrecipient Written Agreements and Oversight	WORD

https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2

HUD Exchange HOME Page – TBRA Topic

HOME Topics

CHDO | Consolidated Plan | Consortia | Cross-Cutting Requirements | HOME & Other Federal Programs

Homeowner Rehabilitation | Homeownership | IDIS | Income Determination | M...

Monitoring | Program Administration & Management | Rental Housing | Tenant-Based Rental Assistance
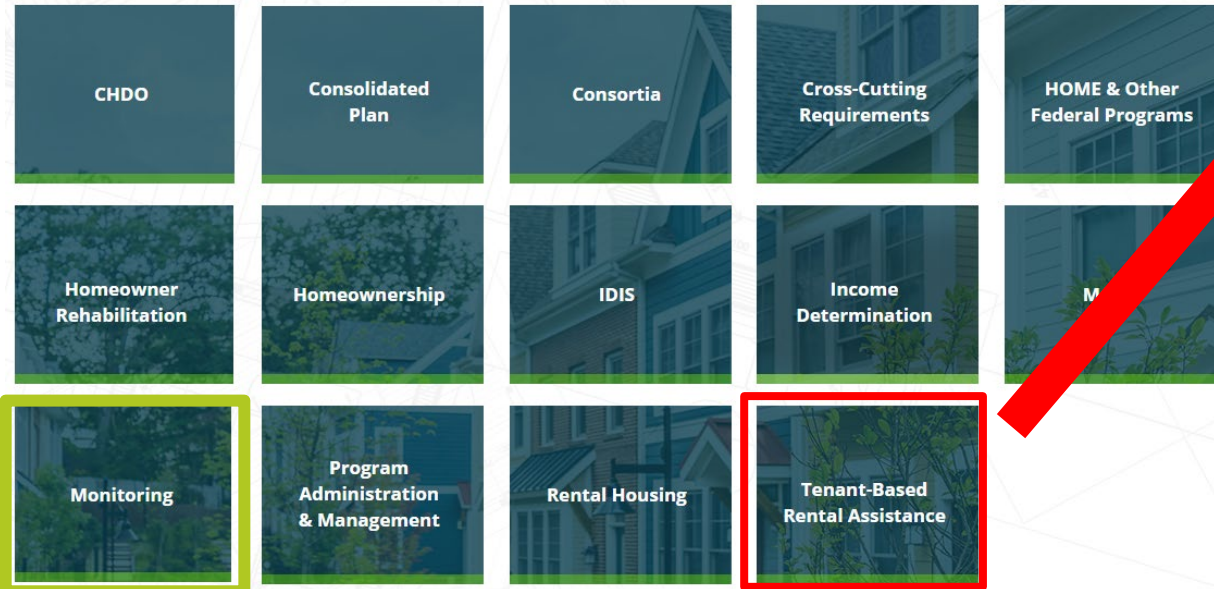
HOME Tenant-Based Rental Assistance

HOME Investment Partnerships Program (HOME) permits Participating Jurisdictions (PJs) to create flexible programs that provide assistance to individual households to help them afford the housing costs of market-rate units. These programs are known as "Tenant-Based Rental Assistance," or TBRA. HOME TBRA programs differ from other types of HOME rental housing activities in three key ways:

- TBRA programs help individual households, rather than subsidizing particular rental projects.
- TBRA assistance moves with the tenant—if the household no longer wishes to rent a particular unit, the household may take its TBRA and move to another rental property.
- The level of TBRA subsidy varies—the level of subsidy is based upon the income of the household, the particular unit the household selects, and the PJ's rent standard (rather than being tied to the PJ's high and low HOME rents).

There are many different types of TBRA programs, but the most common type provides payments to make up the difference between the amount a household can afford to pay for housing and the local rent standards. Other TBRA programs help tenant pay for costs associated with their housing, such as security and utility deposits.

For more information on Tenant-Based Rental Assistance, see 24 CFR 92.209.

Find by Resource Type

Policy Guidance and FAQs

Guidebooks and Tools

Videos and Training Material

Templates and Forms

Emergency TBRA

Policy Guidance and FAQs

FAQs

HOME Tenant-Based Rental Assistance FAQs

View HOME Tenant-Based Rental Assistance FAQs.

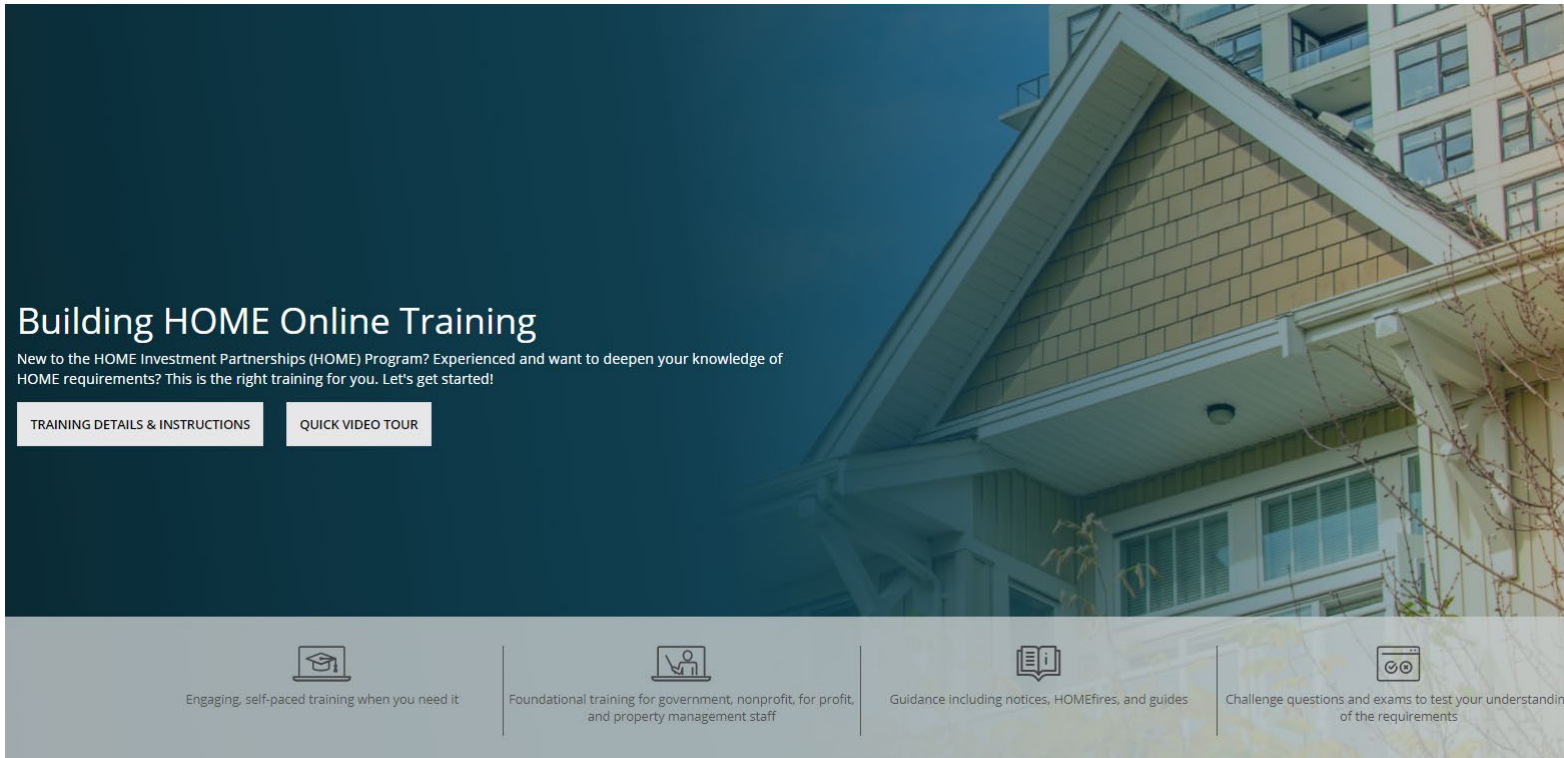**HOME FACTS**

HOME FACTS Vol. 9, No. 1: Set Up, Fund, and Complete HOME TBRA Activities in IDIS

Need technical assistance to prepare for HUD monitoring? Request TA on the HUD Exchange.

Building HOME Online Training

https://www.hudexchange.info/trainings/building-home/

HOME FACTS Vol. 9, No. 1: Set Up, Fund, and Complete HOME TBRA Activities in IDIS

https://www.hud.gov/sites/dfiles/CPD/documents/HOME-FACTS-Vol-9-No-1-Set-Up-Fund-and-Complete-HOME-TBRA-Activities-in-IDIS.pdf

Wrap Up

Questions?

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April 13, 2021

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April 27, 2021	May 4, 2021	May 11, 2021

Rental

Rental	TBRA	Long-Term Rental Compliance
Exhibit: 7-29	Exhibit: 7-31	Exhibit: 7-30
April 29, 2021	May 6, 2021	May 13, 2021