

SHRINKING A HOPWA TBRA PROGRAM

Tenant-Based Rental Assistance (TBRA) is designed to provide long-term, safe, stable, and affordable housing. Many households receiving this assistance may otherwise face housing instability and, in some cases, homelessness. Grantees and project sponsors who may need to decrease their HOPWA TBRA program are, therefore, facing a challenge. The reality of decreasing a HOPWA TBRA program may require providers to serve fewer households or make changes to their existing programs. Presented here are strategies to help grantees and project sponsors make decisions that are most appropriate for their community's needs.

This resource is prepared by technical assistance providers and intended to help grantees and project sponsors understand HOPWA program guidance. The contents of this document, except when based on statutory or regulatory authority or law, do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

PLANNING STRATEGIES

USING FINANCIAL PROJECTIONS

The goal of developing financial projections is to help you determine how many households you can support in your HOPWA TBRA program going forward. The process is a budgeting exercise using estimates based on past experience and future funding projections. Reviewing cost data from recent years can provide helpful insights in predicting future costs. Listed below are factors that may be considered when developing financial projections – the relevance and impact of each will vary depending on your local circumstances.

- Federal budget allocation
- Non-HOPWA resources (Federal, State, and Local)
- Affordable housing units available
- Unspent HOPWA funds, if any
- FMRs and rent comparables
- Staff and program costs
- Attrition patterns of current households
- Trends in income and family size
- Future lease renewals

TARGETING RESOURCES

An assessment of your current HOPWA TBRA program and local realities can help you target resources for households most in need. Working with stakeholders can help you determine which services are the highest priority in your community. Evaluating the current housing needs of HOPWA-eligible households helps identify which services or programs may be the most effective at addressing those needs. Strengthening partnerships can improve overall system efficiency. Identifying how the needs of the community have changed and what trends may be emerging ensures the best use of existing resources.

MAKING CHANGES TO YOUR PROGRAM

The process of decreasing your HOPWA TBRA program will require some tough choices. Advanced planning with a multi-phased approach may help mitigate potential negative impacts as changes are made. For some, undertaking steps 1 and 2 below will be sufficient. For others, ending housing assistance for currently served households will be required. In all cases, working with households is key in helping them through the transition and maintaining their housing stability to the greatest extent possible.



1 MAXIMIZING EXISTING RESOURCES

Making the most out of existing resources is a top priority when facing future funding decreases. Targeting existing HOPWA TBRA resources to those households most in need and connecting current HOPWA TBRA households are two strategies to maximize your existing HOPWA TBRA resources.

Making changes that are designed to target assistance to households that are most in need can have a significant impact on which households your program serves. These types of changes focus on your program's eligibility standards and intake process. For example, grantees and project sponsors may impose a lower income standard than required by the HOPWA program. In addition, providers can implement an acuity scale as part of the intake process. An acuity scale is a series of questions that are designed to assess a household's current barriers to housing stability and potential risk of homelessness.

PERMANENT HOUSING RESOURCES

- Housing Choice Voucher Program (HCVP)
- Public Housing
- Veterans Affairs Supportive Housing (VASH)
- Section 811
- Section 202
- Mainstream Vouchers
- Continuum of Care (CoC) Rental Assistance
- Low Income Housing Tax Credits (LIHTC)
- State Programs
- Local Programs

NON-HOUSING RESOURCES

- Medicaid/Medicare
- SSI/SSDI Outreach Access and Recovery (SOAR)
- Adult Education
- Vocational Rehabilitation and Employment

2 IMPLEMENTING COST-SAVING STRATEGIES

There are a number of ways to reduce costs without terminating currently enrolled households. From making programmatic and administrative changes to scaling back rental assistance, these strategies aim to lessen the direct impact on the households you currently serve.

Program Changes: Seeking volunteers for a “shared housing” arrangement — where two households (usually single-person HHs) move into one unit — can reduce your overall rental assistance costs.

Operational Changes: Strategies that aim to reduce the administrative cost of services is another approach that may help avoid household terminations. Streamlining services or outsourcing specific tasks, such as housing inspections, are operational changes that may improve efficiency and reduce costs.

Rental Assistance Changes: You can reduce the overall number of households in your program by not reissuing vouchers at turnover (when an assisted household voluntarily chooses to end their participation in the program) and by freezing any vouchers that are still in the housing search period. This can be considered “attrition” or the natural reduction of households assisted over time. You can also work towards lowering the costs of rental assistance for current households by lowering your payment standard and negotiating directly with landlords to reduce rent costs. You may conduct interim household income reviews; however, since household income could go up or down, this may not always decrease your rental assistance costs.

3

ENDING HOUSING ASSISTANCE

When terminating rental assistance is necessary, there are a number of considerations to be made. The selection process can take many forms and should be developed locally with input from your local HUD Field Office staff. A written policy will help guide you through the process and should describe the selection process, notification requirements, availability of services to support households through the transition, and timelines which include reasonable advance notice for households. The policy should be as neutral as possible to meet fair housing standards (see more below).

Examples of rental assistance termination selection processes:

- **Last in, first out** – the households who have been served for the shortest amount of time are the first to be terminated
- **Household income** – an assessment of income is completed to determine the order in which households will be terminated, with highest-income households terminated before lower income households or with households receiving the lowest subsidy amount terminated before households receiving higher subsidy amounts
- **Risk assessment** – an assessment of a variety of factors is completed to determine which households are at highest risk of homelessness and/or have the highest housing barriers, with lowest-risk households being terminated before those with higher risk
- **Random selection** – a lottery process randomly selects the order in which households will be terminated

FAIR HOUSING

Fair Housing principles must be considered throughout the decision-making process. The Fair Housing Act requires that changes made to your existing TBRA program must not have a disparate impact on any protected group. Documentation is critical and should show how you have determined that there is not a disparate impact. Policy changes should be as neutral as possible to ensure all households receive fair treatment.

For more Fair Housing information, go to:

https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview

MORE RESOURCES ON HUD EXCHANGE

- HOPWA Rental Assistance Guidebook:
<https://www.hudexchange.info/resource/2818/hopwa-rental-assistance-guidebook/>
- HOPWA Institute Presentation on Using Resource ID:
<https://files.hudexchange.info/course-content/the-hopwa-institute-assessing-community-need-resource-id/HOPWA-Institute-Assessing-Community-Need-Resource-ID-Slides.pdf>
- HOPWA Ask-A-Question (AAQ):
<https://www.hudexchange.info/program-support/my-question/>