Designing and Delivering HPRP Financial Assistance

About this Resource

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) provides communities with a range of flexible financial tools to prevent homelessness as well as to assist in re-housing homeless households. This paper provides users with a convenient reference and overview of the scope of HPRP eligible financial assistance activities. It also covers key rental assistance program design concepts, including existing program models along with guidance on approaches that differ from standard models.

INTRODUCTION AND OVERVIEW

The Homeless Prevention and Rapid Re-Housing Program (HPRP) established by the American Recovery and Reinvestment Act provides substantial new resources to communities that can be used for homelessness prevention and rapid re-housing assistance. Financial assistance includes a wide array of activities—payment for back rent, current and back utilities, moving costs, security deposits, and short- and medium-term rental assistance. The funds can also be used to provide services that help families connect with housing, including landlord outreach, landlord-tenant mediation, and housing-based case management services.

The purpose of this paper is to help communities think about key aspects related to the design and delivery of HPRP financial assistance. HPRP program design will depend on a number of factors, including the specific gaps or needs within the community's existing homeless services system, the target population, and local capacity for delivering assistance. Despite all of these variables, there are some common objectives that communities should strive to achieve. A strong program design will:

- Provide an appropriate level of financial assistance – enough to achieve successful outcomes;
- Avoid excessive funding of individual households, which limits the number of households that can be served by the program; and
- Respond to the variety of circumstances that create or threaten homelessness, with emphasis on serving those most in need of assistance.

Such programs will be able to use finite resources in the most effective manner possible. A flexible approach also makes it more likely that the needs of a household can be met in a one-stop manner, avoiding the delays encountered by referring a household to another agency when its need does not fit a more narrowly-focused approach.

The remainder of this paper is organized as follows:

- Section I provides a brief description of the types of financial assistance eligible under HPRP; and
- Section II provides key considerations related to program design, first looking at models that provide one-time (or lump-sum) assistance, and next considering models that provide on-going rental assistance.

SECTION I. HPRP FINANCIAL ASSISTANCE: THE ESSENTIALS[1]

This section is designed to give readers an overview of the types of financial assistance that can be provided under HPRP and the rules associated with each. This section also briefly touches on additional requirements related to providing HPRP financial assistance.

Types of Financial Assistance

There are six basic types of financial assistance that may be provided with HPRP funds: (1) Rental Assistance (including arrears); (2) Security Deposits; (3) Utility Deposits; (4) Utility Payments; (5) Moving Cost Assistance; and (6) Hotel/Motel Vouchers. Each type is discussed briefly below.

Rental Assistance

Under HPRP, up to 18 months of rental assistance may be provided to eligible households. The Notice distinguishes "short-term" assistance (1-3 months) from "medium-term" assistance (4-18 months), but the rules are the same regardless of the term of assistance.

Flexibility is a hallmark of HPRP. HUD permits – even encourages – grantees to consider a broad range of rental assistance program design options:

- Income-based Subsidy: Under an income-based model, a household pays a specific percentage of its income towards rent (e.g. 30 percent, 40 percent, 50 percent). Many existing models of Tenant Based Rental Assistance (TBRA) require the resident to contribute 30 percent of income toward housing costs (rent and utilities). While this is one option, HPRP does NOT mandate any specific resident contribution.
- Fixed Subsidy: The subsidy could be based on the rent cost, household size, apartment size, or some other factor (e.g., $300 for a two-bedroom apartment, $400 for a three-bedroom unit). The subsidy is fixed and does not vary, regardless of changes in the household's income. The subsidy can be deep (sufficient to pay all or a majority of the monthly housing expense) or very shallow (paying just a small proportion). The design of a rent-based subsidy program should be based on an analysis of the rental market and of how much subsidy the program's target population would need to obtain or retain housing in that market.
- Graduated/Declining Subsidy: Whether income-based or fixed, the subsidy would decline in "steps" based upon a fixed timeline or when the individual has reached specific goals, until the household assumes full responsibility for monthly housing costs. The steps are known in advance and act as deadlines for increasing income.
- Bridge Subsidy. A bridge subsidy provides temporary assistance for individuals to help them obtain/maintain housing until a longer-term or even permanent subsidy becomes available. Bridge subsidies are often used for persons who have severe housing barriers and are on waiting lists for other long-term subsidies.

Though the HPRP notices establishes that no program participant may receive more than 18 months of rental assistance, grantees may establish more stringent local limits if they choose (such as capping the amount a single individual or family may receive, or limiting the number of times a households may

[1] HPRP Notice IV. A. p.12

access assistance). However, as we'll discuss later, grantees should be cautious about establishing arbitrary caps.

Grantees may pay up to 6 months of rental arrears (regardless of when they were incurred) for eligible program participants if the payment enables the program participant to remain in housing or obtain new housing. The 6 months counts towards the 18 month limit.

Finally, it is important to note that HPRP assistance cannot be provided to eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state, or local housing subsidy program. Therefore, if a participant is receiving rental assistance under another program – regardless of whether it's a full or partial subsidy – HPRP funds may not be used for rental assistance during that same time period.[2]

<u>Security and Utility Deposits</u>

HPRP funds may be used to assist eligible households with security and utility deposits. Security and utility deposit assistance does not count towards the 18-month limit on rental assistance, so an eligible household may receive security and/or utility deposit assistance and still be eligible for 18 months of rental assistance. Further, because security/utility deposits and rental assistance are different cost types, a household may receive rental assistance under a different Federal or state program (e.g., Section 8 or VASH) and also receive security deposit assistance with HPRP funds. The maximum amount of HPRP funds that may be provided for a security deposit is the equivalent of two months rent, though again, grantees can establish more stringent limits.

HUD is giving grantees the discretion to determine how to handle security deposits if and when an assisted household moves from the assisted unit (assuming the landlord has not retained the deposit to pay for damages incurred by the tenant). The grantee may recover the security deposit, in which case it must be treated as program income. Alternately, the grantee may allow the household to keep the deposit and use it towards their next unit.

HUD has not established specific guidelines regarding security and utility deposit amounts, but HPRP grantees may refer to or adapt existing models from other programs, e.g. the HOME Investment Partnerships Act. (See CPD Notice 96-07, p. 19, at http://www.hud.gov/utilities/intercept.cfm?/offices/cpd/lawsregs/notices/1996/96-7.pdf.)

<u>Utility Payments</u>

HPRP funds may be used for up to 18 months of utility payments, including up to 6 months of utility payments in arrears, provided that the program participant or a member of his/her household has an account in his/her name with a utility company or proof of responsibility to make utility payments (such as canceled checks or receipts from the utility company in his/her name). Utilities eligible for assistance include heat, electricity, water, sewer, and garbage collection. Telephone and cable services are not eligible.

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2 While a household receiving an ongoing housing subsidy cannot receive HPRP rental assistance, HPRP can be used to help the household pay for up to six months of arrears in cases where the household has fallen behind on its portion of the payment. Note that the payment of arrears is eligible because it represents a different period of time – i.e., the arrears represents a back payment of the client portion, while the current rental assistance is a payment going forward.

Note that utility assistance does not have to be provided during the same period a client is receiving rental assistance. For example, in northern states such as Illinois or Minnesota, a household may only needs utility assistance in the winter months. A household is still eligible for up to 18 months of utility payments, regardless of whether their 18 months of rental assistance has expired.

As with security deposit assistance, a client may receive utility assistance through HPRP while receiving a rental subsidy under another Federal or state program, as long as that program does not cover utility payments. However, households that receive assistance under the Low-Income Home Energy Assistance Program (LIHEAP) would not be eligible for HPRP utility assistance since it's considered the same cost type.

Moving Cost Assistance

HPRP funds may also be used for reasonable moving costs, such as truck rental, hiring a moving company, or short-term storage fees (for a maximum of three months). The grantee is responsible for defining reasonable costs and may wish to refer to procedures and limits outlined in the Uniform Relocation Act (URA) for guidance. (For a more detailed discussion of URA moving policies, see page 7.) The payment of moving cost is particularly applicable when assisting a household to move from a shelter (homelessness) or where moving from the existing housing is called for because long-term occupancy of the unit is untenable.

HUD has not established any geographic constraints upon moving/relocation expenses, so a grantee could choose to help a client relocate from one state to another or from one part of a state to another. However, if a grantee decides to help a client relocate to an area outside its jurisdiction, the grantee retains responsibility for ensuring that all requirements associated with the program are met, either by the grantee or by arrangement with another grantee. This includes documentation of rent reasonableness, conducting the habitability and lead-based paint inspections, and reassessing participant eligibility every three months.

Motel and Hotel Vouchers

Finally, HPRP funds may be used for reasonable and appropriate hotel/motel vouchers for up to 30 days if both of the following conditions are met: (1) Subsequent rental housing has been identified but is not immediately available for move-in; and (2) No appropriate shelter beds are available. Because it could take a few weeks to locate suitable rental housing, it is advisable for grantees to try to identify an alternate source of funding for emergency housing to assist households in-between the time of program entry and the identification of housing if the community's shelters are at capacity.

Qualification for Assistance

Prior to providing assistance, HPRP grantees/subgrantees must verify that each applicant household is eligible for HPRP. Verification of HPRP eligibility requires three key steps:

- Initial consultation with a case manager. Any individual or family provided with financial assistance through HPRP must have a consultation with a case manager who can determine the appropriate type of assistance to meet the household's needs (e.g., whether a household needs one-time assistance only, or ongoing rental assistance). As discussed above, this will vary by household, and it would be just as inappropriate to assume that $1,000 would be enough to solve every client's housing need as it would be to assume that every client needs 18 months of rental assistance to be stabilized. (Sample intake and assessment forms are available on the HRE at http://hudhre.info.) Note that HUD requires grantees/subgrantees to evaluate and certify the eligibility of program participants at least once every three months for all persons receiving medium-term rental assistance.

- Determination of income eligibility. The household must be at or below 50 percent of Area Median Income (AMI). Income limits are available on HUD's website at http://huduser.org/DATASETS/il.html. HUD is encouraging HPRP grantees to use the Section 8 definition for calculating household income, though other Federal definitions may be permissible. Given the time-sensitive nature of providing homelessness prevention assistance, HUD does not require grantees to comply with the Section 8 verification/documentation requirements. Guidance and sample templates are available on the HRE at http://hudhre.info.
- Documentation of homelessness status/risk. To be eligible, a household must be either literally homeless or at risk of becoming homeless. Communities may choose to establish additional criteria to further target resources. Guidance and sample templates are available on the HRE at http://hudhre.info.

SECTION II RENTAL ASSISTANCE DESIGN OPTIONS

As mentioned in the introduction, HPRP grantees have significant flexibility to design programs to meet local needs and circumstances. While HPRP represents a significant infusion of new resources in many communities, the reality remains that need will outpace available resources. Therefore, grantees should work in close coordination with their local Continuum of Care to identify high-priority needs and gaps in existing programs and services. While one community may choose to focus specifically on homeless prevention for at-risk families, another community may elect to use HPRP funds to clear out emergency shelters and transition to a housing-first/rapid re-housing model. Once a community has identified its goal(s) and target populations, it can then focus on how to best design and deliver assistance.

HPRP requires communities to allocate funds between prevention and rapid re-housing activities (e.g., 50-50, 75-25, 100-0). Determining the length of time and amount of assistance provided presents a difficult trade-off. While all low-income families would benefit from the maximum amount of rental assistance available, choosing this option means fewer families can be served. However, if only short-term assistance is provided, many families who require more assistance will not succeed. The ideal design is a flexible blend of short- and medium-term assistance packages.

While communities will need to develop guidelines for determining the length and depth of assistance provided – particularly if multiple agencies are administering assistance throughout the community – grantees must be cautious of establishing limits that undermine successful outcomes. Some communities may be tempted to establish caps to ease the budgeting process and overall program administration, but the reality is that if a household ends up homeless because it has reached a locally established HPRP limit, the HPRP funds provided to that household have in effect been wasted. Different households will have different needs, and a one-size-fits-all approach is unlikely to be successful. Communities that have been operating prevention programs may be able to use historical data to establish reasonable caps/limits, but in the absence of such data, it may not advisable to establish caps, particularly ones that are overly restrictive.

Regardless of whether a community is doing homeless prevention or rapid re-housing, the types of assistance provided may look largely the same. However, a key aspect of program design may come down to the provision of one-time (or lump sum) assistance versus ongoing assistance. In the sections that follow, we explore some key considerations related to both.

One-Time/Lump Sum Assistance

Many state and local TANF agencies, nonprofit organizations, and faith-based programs or ministries offer eviction prevention and upfront rental assistance to low-income families. These funds can typically be used to help families pay back rent or utility bills to prevent evictions as well as security deposits, first month's rent, and moving costs to get reestablished in housing.

Eviction Prevention

Grantees have a number of options in providing financial assistance to households not yet homeless. A household on the brink of homelessness can receive assistance to remain in its current housing unit. It is typically far more cost effective and, of course, less disruptive to a household to prevent homelessness than to provide shelter and then re-housing assistance once housing has been lost. For example, a low-income household that experienced (and resolved) a brief period of unemployment or illness may have sufficient income to cover existing housing expenses, though be unable to deal with any arrears. As discussed earlier in this paper, HPRP funds can be used to pay up to six months of arrears (including late fees) for households that have gotten behind on their rent. In most communities, this is the traditional form of eviction prevention assistance, and it works for many families who have a limited, short-term housing crisis.

There are many existing programs funded from a variety of sources to help at-risk and homeless families prevent eviction. HPRP can supplement and expand such programs. Typically, such programs provide funds to help families pay back rent or utility bills. When evaluating whether to use HPRP to expand existing homeless prevention programs, communities should assess how well those programs are targeting families at greatest risk of experiencing homelessness. Communities should revisit program eligibility requirements and caps on financial assistance. Many existing programs have restrictions that prevent families who may be at greatest risk of entering shelter from receiving assistance (e.g., families that are subletting, doubled-up, or have informal rental agreements, families that have already received assistance in the last 12 months, families that owe back rent for a subsidized housing unit, etc.).

Enhancements to existing programs with new HPRP resources may include providing richer levels of financial assistance, targeting higher risk groups, or targeting families closer to entering shelter. Staff assigned to a local tenant-landlord court with funding available to pay arrears provides one example of how HPRP can support programming to reach households at high risk of homelessness. HPRP administrators may also want to establish partnerships with TANF agencies, schools, food banks, and other community agencies that are in frequent contact with families and can help identify those at greatest risk.

Finally, the HPRP case manager and household may determine that it would be preferable for the household to move in order to improve the chances of long-term stability. This may be the case if the unit does not meet rent reasonableness standards (therefore disqualifying the household from receiving assistance in that unit) or is otherwise unaffordable for the family. Likewise, if the unit is in poor condition, has lead-based paint hazards, or is in an undesirable location (e.g., away from the family's support network or employment opportunities), relocation assistance may be enough to help the family become stabilized.

Overcoming Re-Housing Barriers

For many families with limited incomes, a housing crisis is followed with protracted stays in homeless shelters waiting for a housing subsidy and/or trying to save enough money for a security deposit and first months' rent. The expense of providing shelter to families can often dwarf what families need to return to housing in the community. Even for households that have a housing subsidy or receive monthly benefits, it can take months to save enough money for a security deposit on a unit. In the absence of moving cost assistance, households may have to resort to a variety of undesirable shelter options (such as staying in a vehicle, camping, or living on the street). Of course, this is a highly disruptive situation which may lead to a whole host of additional (and costly) problems – difficulty finding or maintaining employment, difficulty keeping children in school, losing custody of children, loss of household possessions, etc.

HPRP resources can play a significant role in helping clients overcome these re-housing barriers. As discussed in Section I of this paper, HPRP can be used to help with security deposits (up to two times the monthly rent), utility deposits, and moving costs. HUD has not established any caps on relocation expenses, though grantees may adopt their own limits. For example, grantees could elect to use the Uniform Relocation Act (URA) Fixed Residential Moving Cost Schedule to establish limits on moving costs. The schedule, available at http://www.fhwa.dot.gov/realestate/fixsch96.htm, provides a specific amount for each state for a given number of rooms (e.g., the schedule provides for a payment of $1,000 for moving from a four rooms housing unit in Illinois). However, again, while guidelines are helpful, it is good to allow some flexibility (or a local waiver process) to account for rare instances where additional help could legitimately solve a family's housing crisis. For example, a grantee may agree to relocate a household to another state in cases of family reunification, particularly if the household can prove that the move will resolve the housing crisis.

In addition to direct financial assistance, HPRP funds can be used indirectly to help clients overcome re-housing barriers. For example, HPRP-funded service staff can help clients locate units, negotiate payment of a security deposit over an extended period, and overcome objections to a tenant's credit or rental history. And while HPRP funds may not be used to purchase home furnishings, case managers can connect clients to furniture banks (see http://www.nationalfurniturebank.org/index.html) or other local resources.

On-Going Rental Assistance

When it comes to providing rental assistance, there are two main issues grantees and subgrantees will have two wrestle with: length of assistance and level (or depth) of assistance. These are difficult questions because grantees must balance the incentives (and disincentives) attached to different models with the realities of high housing costs, high unemployment, and applicants with a multitude of personal barriers. As discussed throughout this paper, the best designed program will have enough flexibility to meet the different needs of households seeking assistance.

However, this flexibility in itself creates challenges related to program planning and implementation. How many households can be assisted? And for how long? When should new applicants be cut off to ensure enough funds remain to serve existing clients? And how can these factors be balanced in light of aggressive expenditure deadlines?

There is no perfect solution. However, analyzing cost data from existing prevention programs (from their own community or from similarly sized/situated communities) may help grantees begin to think about budgeting for HPRP. Of course, budgeting is not a one-time activity. Budgets must be monitored and adjusted as the program is rolled out. Moving forward, careful and thoughtful assessment of each household's history, circumstances, and needs will be critical to at least estimate the amount of assistance the household will need. Throughout the course of the program, estimates will have to be compared to actual figures so that the program budget can be updated.

However, beyond thinking about length of assistance and overall costs, it's important to think about how to structure the subsidy. And once again, different models may work for different communities. The remainder of this paper will explore these different models. (See also the exhibit on pages 10 and 11 for a summary of rental assistance program design components.)

Income-Based Subsidies

As discussed in Section I, there are a number of models for providing rental subsidies. The most common is an income-based subsidy, where the household pays a fixed percentage of their income towards rent. Many HUD programs – Section 8 housing choice vouchers and HOME TBRA, for example – require the resident to contribute 30 percent of income toward housing costs. While this is one option, HPRP does NOT mandate any specific resident contribution.

An income-based subsidy can be structured to be either deep or shallow, but this distinction is only important if the resident actually has some income. The benefit of an income-based subsidy is that a household will be able to pay rent even if their income drops because the subsidy will increase. Likewise, an increase in family's share of rent occurs only when and if income also increases.

The same thing that is an advantage can also be seen as a disadvantage: As income increases, rent increases, which some people may perceive as a disincentive to work. Additionally, if relocation is needed, income-based subsidies may offer less incentive to secure smaller units or less expensive housing, which is an important issue for HPRP participants since the assistance is, of course, time limited. Finally, income-based subsidies are more difficult for program budgeting.

Fixed Subsidies

Some local programs and communities provide families with a fixed amount of rental assistance each month. The subsidy could be based on the rent cost, household size, apartment size, or some other factor. The subsidy does not vary regardless of changes in the household's income. The subsidy can be deep (paying all or a majority of the monthly housing expense) or very shallow (paying just a small portion).

Deep subsidies may be the only possible way to maintain housing for someone with zero income while they apply for benefits or seek employment/reemployment. However, deep subsidies have serious risks, especially when they are time limited. A household that receives a full subsidy may struggle to manage monthly costs when the subsidy ends and they suddenly become responsible for paying their full rent. This is known as the "cliff effect." A dramatic increase in the consumer portion of housing costs after a deep subsidy ends may again lead to homelessness.

In contrast, if the subsidy is shallow, the potential cliff effect is small, though persons with limited or no income will likely not be able to maintain housing with only a small subsidy. However, for some households (e.g., those who lost a second job, have had hours reduced, or have a temporary crisis diverting needed income), a shallow subsidy may be enough.

The trick to designing a fixed subsidy is identifying the correct assistance level – one that is deep enough to enable the majority of assisted households to maintain housing, but shallow enough to avoid the cliff effect. In many ways, a fixed subsidy can be desirable because the household can see exactly how much additional income is needed to replace the subsidy. And, as income increases, rental assistance stays the same (at least in the short term), creating an incentive for work as it gives the household more discretionary income. Finally, fixed subsidies are of course easier in terms of program budgeting and planning.

Graduated/Declining Subsidies

Given the pros and cons of income-based and fixed subsidies, a graduated subsidy may be a good compromise. A graduated subsidy declines in "steps" based upon a fixed timeline or when the individual has reached specific goals, until the household assumes full responsibility for monthly housing costs. The graduated subsidy may be a good approach under HPRP for a number of reasons.

First, HPRP is of course time-limited. The maximum amount of assistance any household may receive is 18 months. Thus, the target population for assistance is households that will be able to sustain housing once the assistance period ends. While a number of people may seek HPRP assistance because they are unemployed (and may therefore need a deep subsidy to begin), it is reasonable to expect that a majority will find employment during the course of the assistance period. It may take them a period of months to financially "catch up" and get stabilized, but a graduated subsidy will help reduce the destabilizing cliff effect of a deep subsidy suddenly ending. Declining subsidies allow the household to gradually take over responsibility for payment, building both a cushion and confidence along the way.

Additionally, HPRP requires that grantees reassess households receiving assistance at least once every three months. This frequent contact will allow case managers to closely monitor a household's progress towards goals, enabling them to adjust the subsidy level in a way that preserves stability and yet reduces the potential cliff effect.

Bridge Subsidies

A final option is a bridge subsidy. Some local and community programs offer temporary rental assistance to households expecting a permanent rent subsidy in the near future. Several states, including Maryland, Connecticut, and Illinois, offer bridge subsidies to individuals with significant disabilities who are experiencing homelessness to help them exit shelter rapidly and stabilize in housing. The temporary subsidy allows households to move out of the shelter immediately and into a housing unit that will become their permanent home. A temporary rental assistance program typically functions the same as the Section 8 program, subsidizing the households' rent until the voucher becomes available.

When considering using HPRP to provide bridge subsidies to families, there must be a reasonable amount of confidence concerning the timeframe in which a permanent rent subsidy will become available. Ensuring that selected apartments will meet voucher requirements is also critical to avoid unnecessary housing disruptions. Additionally, specific designation of HPRP as a bridge subsidy should allow households to retain eligibility for other programs. For example, a homeless household receiving HPRP retains eligibility for units funded under the McKinney-Vento homeless programs.

Designing Rental Assistance Programs: A Summary of Key Components

It may be useful to refer to existing HUD TBRA programs for insight into the range of policy and operational issues faced when implementing HPRP rental assistance programs.[3] However, it is essential to keep in mind that HPRP provides significantly greater flexibility in rental assistance program design and procedures. The following list of design issues is intended to help grantees understand where there are specific requirements and where they have flexibility.

Income Limits/Income Determination

- The HPRP income limit is 50 percent of Area Median Income (AMI). HUD is encouraging grantees to use the Section 8 definition of income, though other Federal definitions may be acceptable. Guidance and sample templates are available on the HRE at http://hudhre.info.
- Programs may choose to more strictly target assistance and set lower income limits for eligibility.
- There are a number of specific adjustments that can be made to annual income when calculating resident rent contribution in traditional TBRA programs. While eligibility for HPRP must be based on annual income before any adjustments, HPRP allows but does not mandate use of the standard income adjustments when the program chooses to include a requirement for resident rent contribution.
    - Note: While assets must be taken into account when calculating household income to make the eligibility determination, HUD has not established requirements related to assets for the purpose of determining type and level of assistance. Thus, whether an eligible household is required to spend down all of its assets or is allowed to retain a reasonable amount of assets is a local determination.
- Current income limits are available at: http://www.huduser.org/DATASETS/il.html or http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/2009/

Resident Rent Contribution

- In traditional TBRA programs, resident rent contribution is generally established as the HIGHER of:
    - 10 percent of GROSS monthly income;
    - 30 percent of ADJUSTED monthly income; or
    - TANF/Welfare Rent (where applicable).
- HPRP has no requirement for resident rent contribution. Grantees have broad discretion to decide whether to require resident contribution at all, and if required, how much.

Rent/Payment Standard

- Traditional TBRA programs establish limits on the cost of units that can receive assistance, derived from HUD published "Fair Market Rents (FMR)." Current FMRs are at, http://www.huduser.org/datasets/fmr.html
    - For the HCV Program rules on payment standards, refer to Chapter 7 of the HCV guidebook, at http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/7420g07GUID.pdf
    - For the HOME Program, payment standards requirements are covered in part VII. A. (page 13) of

[3] Additional information on traditional TBRA programs can be found at the following web sites:
Housing Choice Voucher Program: http://www.hud.gov/offices/pih/programs/hcv/about/fact_sheet.cfm
http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/index.cfm
HOME TBRA: http://www.hud.gov/offices/cpd/affordablehousing/training/materials/building/ch07.pdf

CPD Notice 96-07, at http://www.hud.gov/offices/cpd/lawsregs/notices/1996/96-7.pdf

- HPRP does not require grantees to set a payment or rent standard, although units assisted must meet a "rent reasonableness" standard (see below).
- HPRP may assist higher cost rental housing than is usually permitted under the limits imposed by model TBRA programs. Assistance to higher cost units may occur in HPRP when, for example, HPRP assists a household that previously had income sufficient to afford higher rent, but is currently at risk of homelessness due to a significant reduction in income.

Rent Reasonableness

- Like traditional TBRA programs, HPRP specifies that financial assistance can only be provided for units where the rent is "reasonable." If the unit does not meet the rent reasonableness standard, the household cannot be assisted in that unit.
- A model for documenting rent reasonableness is at: http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.pdf

Occupancy Standard

- Occupancy standards set the maximum allowed unit size by number of bedrooms, based on household composition, including the age and sex of children. (For example, see HOME Program reference, CPD Notice 96-07, VII. F. page 17.)
- HPRP does NOT require grantees to specify or comply with specific occupancy standards.

Standard/Required Lease Provisions

- Other TBRA programs use either a model lease or provide a specific list of provisions which must be included (e.g. minimum term) and provisions which are prohibited (to ensure fair and equitable treatment of tenants).
- In order to provide assistance, HPRP only requires that a legal lease be in place and the applicant's name be on the document. A model lease is not required.

Monthly Subsidy Payments

- HPRP financial assistance subsidies must be paid to the landlord or utility company. Payments are not permitted to be made directly to the assisted household.

Inspections

- HPRP requires compliance with the housing habitability standards, as specified in Appendix C of the HPRP Notice. These standards apply only when a program participant is receiving financial assistance and moving into a new unit. They do NOT apply to persons receiving prevention assistance in a unit in which the program participants were already residing.
- Habitability standards are different from the Housing Quality Standards (HQS) used for other HUD programs, such as Section 8. Because the HQS criteria are more stringent than the habitability standards, a grantee could use either standard.
- In contrast to HQS inspections, the habitability standards do not require a certified inspector. For example, HPRP project staff or staff from or hired by an agency of the grantee's local government can conduct the inspection.
- Lead-Based Paint requirements apply for all pre-1978 units in which a child under the age of six resides.

SUMMARY

While some households may be able to regain stability with one-time assistance, others will need ongoing support, at least for a few months. There is no assessment tool that will allow us to perfectly predict which households will be able to avoid homelessness with limited assistance and which ones will not, but a flexible program design combined with thoughtful targeting will go a long way towards producing successful outcomes.