

RENTAL ASSISTANCE

RESOURCES

CONSULT THE CoC RULE

CoC Interim Rule

– 578.51 Rental Assistance:

<https://www.govinfo.gov/content/pkg/CFR-2017-title24-vol3/xml/CFR-2017-title24-vol3-part578.xml#seqnum578.77>

RESOURCES

ON THE HUD EXCHANGE

CoC Program Toolkit – Rental Assistance:

<https://www.hudexchange.info/programs/coc/toolkit/program-components-and-eligible-costs/#leasing-and-rental-assistance>

Overview Slides:

<https://www.hudexchange.info/resources/documents/CoC-Program-Rental-Assistance-Slides.pdf>

Lease Agreement Examples:

<https://www.hudexchange.info/resource/2894/coc-program-leasing-rental-assistance-examples-of-lease-agreements/>

TBRA Mobility Guidance:

<https://files.hudexchange.info/course-content/increasing-mobility-options-for-homeless-households-assisted-with-tbra-webinar1/Increasing-Mobility-Options-for-Homeless-Households-Assisted-with-TBRA-Webinar-One-Pager-2016-07-12.pdf>

CPD Notice - Utility Calculation:

<https://www.hudexchange.info/resource/5630/notice-cpd-17-11-determining-program-participant-rent-contribution-in-the-coc-program/>

This resource is prepared by technical assistance providers and intended only to provide 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.

SUMMARY

CoC Program funds may be used to provide rental assistance (RA) under PSH, RRH, and TH to pay a portion of the rent. Length of assistance varies depending on program component:

- Short-term (up to 3 mos.) or medium-term (4-24 mos.) – RRH and TH.
- Long-term (more than 24 mos.) – PSH.
- Update: As of April 2016, nonprofit organizations have permanent authority to administer CoC program RA for PH only. TH projects are still required to have a state or local government or PHA administer the RA.

RENTAL ASSISTANCE MODELS

RA funds may be used through one of three models:

Tenant-Based Rental Assistance (TBRA): Participants locate housing in the private rental market. After the initial lease ends, participants may use TBRA in a different unit. However, recipients/subrecipients may require participants to live in a specific structure for the first year, or specific area for the remainder of participation in order to facilitate services.

- **Update:** As of July 2016, participants may use TBRA to rent units outside of the CoC. See sidebar for [Mobility one pager](#).
- **Important:** Rapid Re-housing (RRH) projects may only use the TBRA model.

Sponsor-Based Rental Assistance (SBRA): Sponsor agencies rent units in the private market that they sublease to homeless people. Sponsors may be private nonprofit organizations or community mental health agencies established as nonprofit organizations. If the participant moves, the sponsor may sublease to a different participant or use the SBRA in a different unit with the current participant. SBRA stays with the sponsor.

Project-Based Rental Assistance (PBRA): The recipient contracts for a particular unit or property and the participant then enters a lease with the landlord. If the participant moves, the PBRA stays with the unit for the next eligible participant.

LEASE ARRANGEMENTS AND LENGTH OF TERM

For TBRA and PBRA, participant must have a lease with the landlord; for SBRA, the lease is between recipient or subrecipient and landlord; the recipient or subrecipient subleases to the participant.

- All PH models – at lease one year for initial term with no maximum term
- TH models – at least a month for a maximum term of 24 months

RENT

The RA grant is based on: number of units x Fair Market Rent (FMR) x number of months in the grant term. Rents may be paid up to the rent reasonableness amount even if above the FMR. See [sidebar on FMR and Rent Reasonableness](#). Participants must pay a portion of the rent

RESOURCES

RESOURCES ON THE HUD EXCHANGE

FMR and Rent Reasonableness:

<https://www.hudexchange.info/resource/4424/coc-rent-reasonableness-and-fair-market-rent/>

Environmental Review Flow Chart and Forms:

<https://www.hudexchange.info/resource/4045/coc-program-environmental-review-flow-chart/>

RESOURCES AT A GLANCE

Housing Quality Standards (HQS):

Information about HQS criteria can be found in Chapter 10 of the Housing Choice Voucher Program Guidebook: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/forms/guidebook

Lead Paint:

https://www.hud.gov/program_offices/healthy_homes/enforcement/lshr

(unless they have zero income) based on the following:

- PSH & TH – The higher of 30% of household's monthly adjusted income or allowable alternate calculations (see [CoC Interim Rule - 578.77](#)).
- RRH – Based on the CoC's written standards of assistance. This may be more or less than the amount required for PSH or TH projects.

Recipients may use RA grant funds not spent on rent to: cover other eligible costs (see box/table below), fund rents over the FMR that are within rent reasonableness, or add participants and units in excess of the grant total.

RENTAL ASSISTANCE: ELIGIBLE USE OF FUNDS

Use of Funds	Eligibility Conditions
Vacancy payment	Rent costs until a new participant moves in, in accordance with the lease agreement between the recipient/subrecipient and landlord
Security deposits	Up to equivalent of 2 months of rent
First & last month's rent	Up to equivalent of 1 month of rent for each; advanced payment is allowed
Property damage	Not an eligible cost, but payment for damages may come out of the security deposit, if provided
Staff Costs	Costs directly related to carrying out eligible activities, including: <ul style="list-style-type: none">• Processing rental payments to landlords;• Examining participant income and family composition;• Providing housing information and assistance;• Inspecting units for compliance with housing quality standards (HQS); and• Receiving new participants into the program.

RESTRICTIONS ON COMBINING CoC PROGRAM FUNDS

CoC program funds used for rental assistance may not be combined in a single structure or housing unit with CoC program funds used for: leasing; operating; or acquisition, rehabilitation or new construction if TBRA (including short- or medium-term rental assistance).

UTILITIES

If the rent does not include utilities, see sidebar resources for [the CPD notice](#) on how costs for utilities should be calculated.

HOUSING QUALITY STANDARDS (HQS)

Units assisted with RA must meet Housing Quality Standards (HQS). The recipient or subrecipient must physically inspect each unit prior to providing CoC RA funds, and annually thereafter.

LEAD PAINT

The lead-based paint requirements are located in 24 CFR Part 35.

- For TBRA – Subparts A, B, M and R
- For SBRA and PBRA – Subparts A, B, H and R

ENVIRONMENTAL REVIEW

An environmental review must be conducted for all projects prior to CoC funds being committed. TBRA is not subject to 24 CFR 58.5 so recipients will use the Exempt/CENST form. SBRA and PBRA without any associated repairs or rehabilitation are categorically excluded and subject to 24 CFR 58.5 (CEST).