



**Emergency Solutions Grants (ESG)  
Learning Opportunity: HOME  
Investment Partnerships Tenant-  
Based Rental Assistance**

*March 7, 2018\**

*\*Due to sound issues, the first few minutes of the webinar were re-recorded.*

*Slide 25 was adjusted from the original presentation.*

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## ESG Learning Opportunity Overview

- ❖ Focus on different ESG-related topics each month
- ❖ Occurs 1<sup>st</sup> Wednesday of each month at 10:00 am
- ❖ ESG Learning Opportunities recorded and posted online
- ❖ <http://www.tdhca.state.tx.us/home-division/esgp/video-library.htm>

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## Webinar Objective

- ❖ Provide guidance on how ESG Subrecipients may use HOME Tenant Based Rental Assistance (TBRA):
  - HOME Investment Partnerships Program Description
  - Participating Jurisdictions
  - Organizations eligible to administer TBRA
  - How to apply
  - Differences between HOME and ESG Rapid Re-housing/Homeless Prevention

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## HOME Investment Partnerships Program

### ❖ Funding sources and cycles

- The HOME Investment Partnerships Program (HOME) is a block-grant, formula-funded program administered by the U.S. Department of Housing and Urban Development (HUD).
- The HOME Program was created to expand the supply of decent, safe, affordable housing for low-income households.
- HUD allocates approximately \$23 million of HOME funds to TDHCA annually

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## HOME Investment Partnerships Program (con't)

### ❖ Participating Jurisdictions

- HUD allocates HOME funds to Participating Jurisdictions (Cities, Counties, States, and Consortiums) throughout the country annually using a pre-determined formula.

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## HOME Investment Partnerships Program (con't 2)

- ❖ All eligible uses
  - Development of Rental Housing and Housing for Homeownership
  - Homeowner Rehabilitation Assistance
  - Homebuyer Assistance
  - Tenant-Based Rental Assistance


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## HOME at TDHCA

- ❖ Eligible Applicants to Administer a Grant
  - Units of General Local Government
  - Non-Profit Organizations
  - Public Housing Authorities
  - For-Profit Organizations (Rental Housing Development Only)

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## HOME at TDHCA (con't)

- ❖ ESG Subrecipients who overlap with HOME TBRA Administrator Requirements:
  - Primarily in cities and counties that do not receive HOME funds directly from HUD\*
- ❖ A list of Participating Jurisdictions may be found at:  
[http://www.tdhca.state.tx.us/home-division/docs/HUD\\_PJs\\_Full\\_List.pdf](http://www.tdhca.state.tx.us/home-division/docs/HUD_PJs_Full_List.pdf)

\*5% is available in any parts of the state for using HOME to assist Persons with Disabilities

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## Cross-Cutting Federal Regulations

- ❖ HOME, like ESG, is subject to the following cross-cutting regulations:
  - 2 CFR Part 200
  - Affirmative Marketing
  - Fair Housing and Equal Opportunity
  - Environmental Review (Part 58)
  - Lead-Based Paint (Part 35)
  - Accessibility (Part 8, Section 504)

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## TBRA Assistance Description

- ❖ TBRA funds may be used for one or all of the following activities:
  - Rental Subsidy for up to 24 months per household per setup
    - An additional 24 months (for a lifetime total of 60 assisted months) for households that maintain eligibility on a Section 8 Housing Choice Voucher wait list.
  - Security Deposit
    - The security deposit may not exceed 2 months of contract rent for the selected unit.
  - Utility Deposits
  - Project Soft Costs: Limited to \$1,200 per Household assisted for determining household eligibility, recertification and Housing Quality Standards (HQS) Inspections

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## Applying to Administer TBRA

- ❖ Application Requirements
  - Application must be submitted as described in the applicable Application Submission Procedures Manual (ASPM)
  - ASPMs and Application Documents may be accessed at <http://www.tdhca.state.tx.us/home-division/applications.htm>

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## **TBRA Application Submission Timeline**

### ❖ Application Timelines

#### ➤ 2 Funding Mechanisms:

- Reservation System – Applications accepted on an ongoing basis
- Contract Award – Application accepted for general set-aside

- ### ❖ Applications for Contract Award accepted under the 2017 HOME Single Family Programs Homebuyer Assistance (HBA) and TBRA General Set-Aside Notice of Funding Availability until July 11, 2018. Funding is subject to the Regional Allocation Formula.

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## **Maximum Award Amounts for TBRA**

### ❖ Application Amounts

#### ➤ 2017 Contract Award Limitations

- \$350,000 for TBRA
- Funding subject to the Regional Allocation Formula until May 15, 2018.

- #### ➤ Reservation funds not subject to limitation other than availability.

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## **TBRA Administrative Plan**

- ❖ The HOME TBRA Program provides some flexibility for the Administrator in their program policies and operations
- ❖ A TBRA Administrator must create a plan to administer TBRA funds, referred to as the TBRA Administrative Plan

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## **TBRA Administrative Plan Requirements**

- ❖ The plan should include policies and procedures for:
  - Financial oversight and accounting
  - Program marketing and Fair Housing
  - Application Intake and Preliminary Review
  - Wait list management and informal review process
  - Self-Sufficiency requirements
  - Participant eligibility (including income determinations)
  - Interim revision and annual recertification

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## **TBRA Administrative Plan Requirements (2)**

- ❖ The plan should include policies and procedures for:
  - Unit approval and occupancy standard
  - Unit inspection
  - Distribution of monthly subsidy payments
  - Policy for security and utility deposits
  - Policy for termination of assistance
  - Policy for handling complaints and grievances

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## **Financial Oversight Considerations**

- ❖ The HOME Program is a reimbursement program through which funds for eligible activities may be paid based on costs incurred. The TBRA Activity considers rent to be a cost that is incurred in advance
  - Financial oversight of the TBRA program should be comprehensive and accounting methodology should be clear to auditors and monitors
  - Costs must be documented plainly in order to be reimbursed
  - If the Administrator seeks reimbursement of Administrative costs on a percentage basis, the Administrator must develop a comprehensive allocation plan which must be approved by TDHCA

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## Marketing Requirements

- ❖ TBRA Administrators are required to comply with Fair Housing regulations. Affirmatively marketing the TBRA Program helps ensure compliance with Fair Housing.
- ❖ Affirmative Marketing is defined as making special efforts to attract persons who are least likely to apply because of such factors as the racial and ethnic composition of the neighborhood. Marketing should also seek to reach potential households outside the immediate neighborhood if marketing only within the neighborhood would create a disparate impact against certain classes.

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## Application Intake

- ❖ Each household applying for assistance must complete the TDHCA Intake Application form. Record date and time of receipt.
- ❖ Application must be completed by a member of the household. If a household member is unable to complete the application documents, he/she may request assistance.
- ❖ All sections should be completed - if not applicable, indicate "n/a"
- ❖ All information must be verified prior to approval for assistance.
- ❖ Provide each household all required documents referenced on the TBRA Project File Documentation Checklist

HOME Program TBRA forms are located at:

[http://www.tdhca.state.tx.us/home-division/forms/home\\_forms\\_tbra.htm](http://www.tdhca.state.tx.us/home-division/forms/home_forms_tbra.htm)

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## Preliminary Assessment

- ❖ Best Practice: Conduct a preliminary assessment of the applicant's income eligibility based on information provided by the applicant. The applicant may have provided information which indicates ineligibility for the TBRA Program.
- ❖ If the household is not eligible, the Administrator must notify the household in writing within 60 days of the:
  - Reason(s) for the determination, and
  - Family's right to an informal review
  - How to arrange/request the informal review

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## Wait List Management Overview

- ❖ Administrator should develop wait list management procedures which include:
  - Selection process
  - Processing and managing
  - Current status
  - Purging
  - Safeguards
  - Public awareness
  - Additional Administrator efforts
  - Possible strategies

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## Self Sufficiency Plan Requirements

- ❖ Administrator must develop a Self-Sufficiency plan which:
  - Ensures all TBRA recipients agree to participate in a self-sufficiency program, including working toward a permanent housing solution
  - Ensures that TBRA recipients actively work toward self-sufficiency during the assistance term
  - Establishes a process to track the progress of TBRA recipients toward their self-sufficiency goals and provides consequences for failure to work toward goals, such as termination of assistance
  - The Self-Sufficiency Plan should be customized to local conditions and individual family needs

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## Income Eligibility

- ❖ To be eligible for TBRA, the household's anticipated annual gross income may not exceed 80% AMFI
  - Income is calculated using Part 5 regulations
- ❖ Under the Reservation System, 1 out of every 4 households must be at or below the 30% AMFI
  - Does not apply to Disaster-Relief contracts
  - May use the state 30% income limit if service is provided in a county whose median family income is less than the state's median family income to meet the requirement.

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## Unit Approval

- ❖ Units assisted with HOME TBRA do not have to have gross rent (rental amount shown in lease + utility allowance\*) at or below the Fair Market Rent, but the rent must be determined to be reasonable when compared with similar unassisted units.
  - The Fair Market Rent (or Small Area Fair Market Rent if available) is utilized to determine the subsidy amount provided to the household.
- ❖ HOME TBRA assistance must not be provided if, at initial occupancy, a household would pay more than 40% of their monthly income in housing expenses.

\*Edited from original presentation on March 7, 2018

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## Occupancy Standard

- ❖ Administrator must establish occupancy standards that determine the number of bedrooms needed for households of different size and composition and include these standards in the Administrative Plan.
- ❖ For each household, Administrator must determine the appropriate number of bedrooms needed in accordance with the defined occupancy standards
- ❖ Administrator must also define when exceptions to the occupancy standard will be considered

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## Unit Inspection

- ❖ HUD's Housing Quality Standard (HQS) is the required standard for TBRA
- ❖ HQS was created by HUD for the Section 8 Voucher Program and adopted for TBRA activities
- ❖ HQS is a standard of livability and safety, not a construction standard
- ❖ HQS ensures that the unit is move-in ready
- ❖ The unit must pass inspection before assistance can be provided

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## Distribution of Monthly Subsidy Payments

- ❖ Administrator must outline the process for distribution and receipt of funds to landlords.
- ❖ Considerations:
  - Will payment be made electronically or with checks?
  - When will payments be mailed?
  - What is Administrator's policy on late fees?
  - How will Administrator ensure that the tenant portion of the rent is paid?

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## Security and Utility Deposit Policy

- ❖ Administrators may choose whether or not to pay Security Deposits and/or Utility Deposits for tenants receiving TBRA
- ❖ Security Deposits may not exceed 2 months of the contract rent for the unit and must be documented in the Lease
- ❖ Utility Deposits must be documented by the utility provider
- ❖ Administrators must choose whether deposits paid by TDHCA will be refunded to the tenant or refunded to TDHCA at move-out, if applicable. Administrators may not keep refunded deposits.

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## Complaints and Grievances

- ❖ Administrators must outline policies and procedures for processing complaints and grievances in the Administrative Plan
- ❖ Applicants must be given the opportunity to dispute decisions of ineligibility for, or termination of assistance
- ❖ *Best Practice: The complaints and grievances procedure should preclude the staff member who made the contested decision from making a decision in the complaints and grievances process. It is recommended that there be significant managerial oversight over this process.*

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## TBRA vs. ESG: Recipient Eligibility

HOME TBRA	ESG Rapid Re-housing/Homelessness Prevention
Up to 80% AMFI	Up to 30% AMFI for Homelessness Prevention; income eligibility not required for Rapid Re-housing until recertification
Not required to meet any definition of homeless or at-risk	Must meet definition of homelessness or at-risk of homelessness as appropriate
Must participate in Self-Sufficiency program	Required to receive housing stability case management monthly (optional for Victim of Domestic Violence)

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## TBRA vs. ESG: Unit Eligibility

HOME TBRA	ESG Rapid Re-housing and Homelessness Prevention
Rents limited to reasonable rent	Rent limited below to Fair Market Rent and reasonable rents
Unit must meet Housing Quality Standards	Unit must meet habitability standard only
Household may rent a larger unit than they are eligible for under occupancy standards; household must pay the gap	Rented units should meet occupancy standards set by ESG Subrecipients' written standards

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## TBRA vs. ESG: Assistance Amount

### HOME TBRA

Assistance limited to difference between FMR or SAFMR and 30% of household income

Assistance under one contract/RSP agreement limited to 24 months; lifetime assistance limit of 60 months

### ESG Rapid Re-housing and Homelessness Prevention

Assistance limited to amount outlined in written standards

Assistance limited to 24 months within a 3-year period (one-time payments of up to 6-month arrears counts towards the 24 month limit)

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## TBRA vs. ESG: Subrecipients

### HOME TBRA

Subrecipients may not subgrant TDHCA HOME funds. Partners must be procured through RFP process.

### ESG Rapid Re-housing and Homelessness Prevention

Some nonprofit subrecipients may subgrant funds if subgrantee is approved by TDHCA.

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# Questions?



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## Contact Information

### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

221 E. 11th Street, Austin, TX 78701

P.O. Box 13941, Austin, TX 78711-3941

ESG: <http://www.tdhca.state.tx.us/home-division/esgp/>

Program Assistance: [esg@tdhca.state.tx.us](mailto:esg@tdhca.state.tx.us)



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ESG Learning Opportunity: HOME Investment Partnerships Program  
 Webinar Questions and Answers

Question	Answer
<p>1. So if we already receive ESG Funds and a RRH grant from HUD, we are not allowed to receive these funds?</p>	<p>ESG Subrecipients that receive rapid re-housing funds may receive HOME Tenant Based Rental Assistance (TBRA) funds if the Subrecipients are an eligible HOME Administrator. The rapid re-housing funds and TBRA funds may be administered by the same organization.</p>
<p>2. Could someone that just moved into a home and started struggling with rent but doesn't have a eviction would they be able to apply for TBRA or is this only for someone that hasn't found a home yet?</p>	<p>HOME TBRA does not require persons to move into a new unit to receive assistance; however there is a requirement that the lease and the assistance begin on the same date. The tenant and the landlord would have to agree to execute a new lease. We have a waiver of this requirement in place for disaster impacted households assisted on or before October 12, 2018.</p>
<p>3. Is this a 2 year grant like ESG or do you apply each year?</p>	<p>An award through the HOME TBRA Open Cycle Application would result in a contract of 36 months. Households to be assisted would have to be identified within the first 12 months of the contract term, and could then be assisted for up to two years.</p>
<p>4. It would be most helpful if applicants made the HOME funds part of the Coordinated Entry systems (including Written Standards) and aligned with their ESG Written Standards, CoC Written Standards</p>	<p>HOME TBRA may be incorporated in Coordinated Entry as long as the HOME TBRA requirements are met and required HOME Program forms must be utilized. Please refer to slides 30-34 which highlight some of the main differences between ESG and TBRA.</p>