



## CDBG/HOME/ADDI PROGRAM POLICY AND PROCEDURES MANUAL

**SUBJECT: TENANT-BASED RENTAL ASSISTANCE (TBRA)**

### **PURPOSE**

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA), and has been amended several times by subsequent legislation. The intent of the HOME Program is to provide decent affordable housing to lower-income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing, and leverage private sector participation.

### **HUD HOME Policy:**

#### Eligible Activities – 24CFR92.205 (a) (1):

HOME funds may be used by a participating jurisdiction to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition (including assistance to homebuyers), new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations; to provide tenant-based rental assistance, including security deposits; to provide payment of reasonable administrative and planning costs; and to provide for the payment of operating expenses of community housing development organizations. The housing must be permanent or transitional housing.

#### Eligible Activities – 24CFR92.205 (b)(1):

A participating jurisdiction may invest HOME funds as equity investments, interest-bearing loans or advances, non-interest bearing loans or advances, interest subsidies consistent with the purposes of this part, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the purposes of this part. Each participating jurisdiction has the right to establish the terms of assistance, subject to the requirements of this part.

Tenant-based rental assistance (TBRA) is a rental subsidy that can be used to help individual households afford housing costs such as rent and security deposits. TBRA programs help individual households, rather than subsidizing specific rental projects.

### **INCOME LIMITS**

Income limits are established by household size and revised annually by the U.S. Department of Housing and Urban Development (HUD). In order to be eligible, program participants' total Gross Annual Household Income must be at or below 60 percent area median income.

### **HOUSEHOLD CONTRIBUTION, MINIMUM HOUSEHOLD CONTRIBUTION AND MAXIMUM TBRA SUBSIDY:**

Household Contribution: A participating household must pay 30% of its Adjusted Monthly Income towards rent and utilities.

Minimum Household Contribution: Zero (i.e., family reports no verifiable income – 30% x \$0 = \$0)\*

Maximum TBRA Subsidy: The TBRA subsidy may not exceed the difference between the established HOME Rent Standard and Household Contribution identified above. The HOME TBRA Rent Standard is the same as the Dane County Housing Authority's Section 8 Housing Choice Voucher Program Payment Standard.\*

Maximum TBRA Security Deposit Assistance: The maximum amount of HOME funds that may be provided for the security deposit is the equivalent of two months' rent for the assisted unit. Security deposits will be provided as a grant to the participating tenant, and paid directly to the landlord by the administering agency.

### **TERM OF TENANT BASED RENTAL ASSISTANCE**

The term of TBRA must run in conjunction with the term of the lease, and may not exceed twelve months.

A household's TBRA may be renewed depending on availability of funds, and continued tenant and unit eligibility.

### **ELIGIBLE UNITS:**

1. TBRA assisted units must be located in one of the participating municipalities of the Dane County Urban County Consortium. Location area may be expanded to all of Dane County, dependent upon program expenditures.
2. TBRA assisted units must meet Section 8 Housing Quality Standards. The property must pass an HQS Inspection prior to the effective date of the TBRA assistance.
3. Properties constructed or manufactured before 1978 must be inspected for lead-based paint hazards. If deteriorated paint is found it must be properly remediated in compliance with the Lead Safe Housing Rule.
4. TBRA participants may select units that are privately-owned. TBRA may not be provided to a family who proposes to rent a unit that receives a project-based rental assistance through Federal, state or local programs, if the HOME assistance would provide duplicative subsidy.
5. TBRA assisted units must rent for a reasonable amount, compared to rents charged for comparable unassisted units. Subrecipients administering a TBRA program on behalf of the County must document the basis for their rent reasonableness determinations

### **LEASE REQUIREMENTS**

1. There must be a written lease between property owner and the TBRA recipient and the lease must be signed by both parties. The term of the lease must be at least one year, unless both agree otherwise.
2. The written lease must not contain any of the following provisions:
  - Agreement by the tenant to be sued or to admit guilt, or a judgment in favor of the owner in a lawsuit brought in connection with the lease;
  - Agreement by the tenant that the owner may take, hold, or sell the personal property of household members without notice to the tenant and a court decision on the rights of the parties (this does not apply to personal property left by the tenant after move-out);
  - Agreement by the tenant not to hold the owner or its agents legally responsible for any action or failure to act, whether intentional or negligent;
  - Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant;
  - Agreement that the owner may evict the tenant (or other household members) without a civil court proceeding where the tenant has the right to present a defense, or before a court decision on the rights of the tenant and the owner;
  - Agreement by the tenant to waive a trial by jury;
  - Agreement by the tenant to waive the tenant's right to appeal or otherwise challenge a court decision;
  - Agreement by the tenant to pay attorney fees or other legal costs, even if the tenant wins in court; or
  - Agreement by the tenant to participate in any specific supportive services as term or condition of the lease. Services may not be mandatory.

## OCCUPANCY STANDARDS

Occupancy standards are used to provide consistent criteria for determining the unit size for which the household is eligible and thus, the amount of assistance to be provided. Fair housing rules permit a household to select smaller units that do not create seriously overcrowded conditions. Participants may also select larger units at their own expense (i.e., TBRA subsidy will not cover the increased cost of a larger unit). In addition to the number of bedrooms, both the size of the unit and the size of the bedrooms should be considered when evaluating the individual circumstances of the family.

1. No more than two persons are required to (or should) occupy a bedroom;
2. Persons of different generations (i.e., grandparents, parents, children), persons of the opposite sex (other than spouses/couples) and unrelated adults are not required to share a bedroom;
3. Children of the same sex, within 5 years of age, and couples living as domestic partners (whether or not legally married) must share the same bedroom for purpose of assigning the bedroom size on housing HOME Program TBRA Voucher;
4. A live-in care attendant who is not a member of the family is not required to share a bedroom with another household member;
5. Individual medical problems (i.e., chronic illness) sometimes require either separate bedroom for household members who would otherwise be required to share a bedroom or an extra bedroom to store medical equipment. (Note: Documentation supporting the larger sized unit and related subsidy is required.)
6. In most instances, a bedroom is not provided for a family member who will be absent most of the time, such as a member who is away in the military. A larger size HOME Program TBRA Voucher may be issued for an absent family member if individual circumstances warrant.

## INELIGIBLE USES OF TBRA ASSISTANCE

TBRA cannot be used to:

1. Make commitments to specific owners for specific units/projects. Tenants must be free to use the assistance in any eligible unit;
2. Assist resident owners of cooperative housing that qualifies as home ownership housing. TBRA may, however, be used by a tenant who is renting from a cooperative unit owner;
3. Prevent displacement of, or provide relocation assistance to tenants as a result of activities other than the HOME Program.
4. Pay for the overnight or temporary shelter of homeless persons.
5. Duplicate existing rental assistance programs that already reduce the tenant's rent payment to 30 percent of income. For example, if a household is already receiving assistance under the Section 8 Program, the household may not also receive assistance under a HOME TBRA program.