



# **NCSHA: HOME Monitoring, Part 2**

February 10, 2021

# Welcome

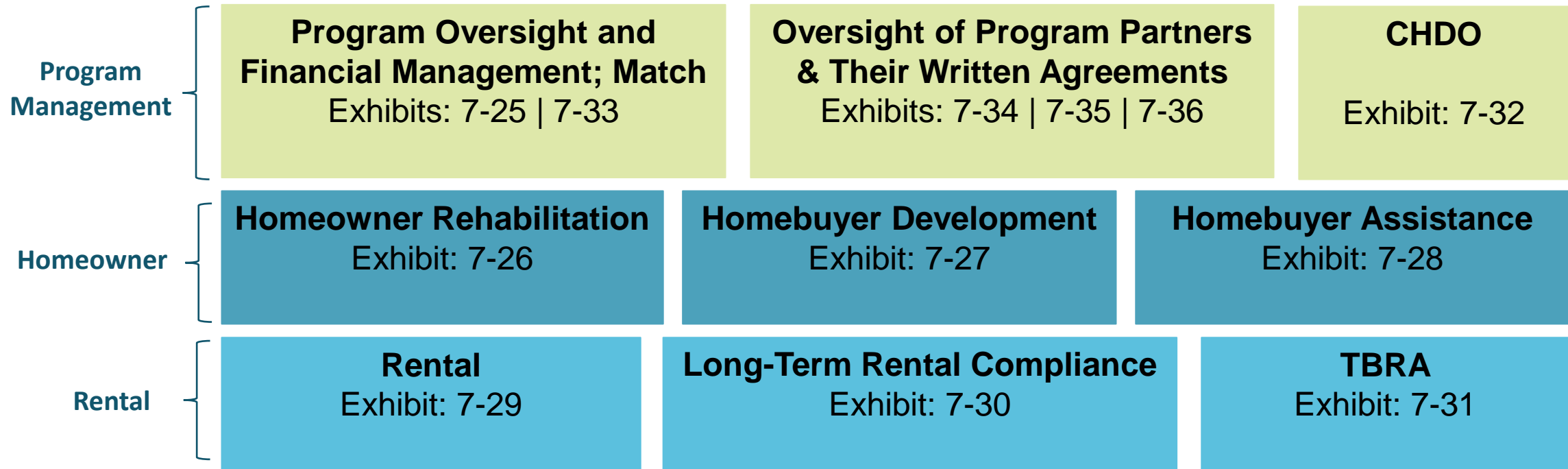
- Sponsored by:
  - HUD, Office of Affordable Housing Programs
  - NCSHA
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# Coming in 2021

## Upcoming HOME Monitoring Webinar Series Overview

### Understanding Monitoring





# Overview

# Webinar Objectives

- Introduce the CPD Monitoring Guide Exhibit 7-31 & HUD monitoring of PJ for TBRA program requirements
- Identify the policies & procedures & documentation required for ensuring compliance for TBRA activities
  - Whether administered directly by the PJ or by a subrecipient (with PJ monitoring)
- Identify strategies for effective administration of TBRA activities
- Recommend steps to prepare for HUD monitoring





# Regulatory Requirements

# HOME Final Rule Part 92 TBRA Requirements

- 24 CFR 92.209
- TBRA is a rental subsidy that PJs can use to provide assistance with:
  - Rent
  - Tenant paid utilities (utility allowances)
  - Security and utility deposits



# TBRA Requirements in the Final Rule

## TBRA-specific requirements: §92.209

### Additional project requirements:

- §92.203 – Income determinations
- §92.216 – Income targeting: TBRA & Rental
- §92.253 – Tenant protections and selection
- §92.356 – Conflict of interest
- §92.359 – VAWA requirements

### Program administrative requirements:

- §92.2 – Definition of commitment
- §92.502 – IDIS Project Set-up and disbursement
- §92.504 – PJ responsibilities; written agreements; procurement
- §92.508 – Recordkeeping



# Introduction to CPD Monitoring Exhibit 7-31

Exhibit 7-31  
HOME Program

6509.2 REV-7 CHG-1

Guide for Review of Tenant-Based Rental Assistance (TBRA) Projects and/or Policies & Procedures	
<b>Participating Jurisdiction:</b>	<b>Subrecipient:</b> Click or tap here to enter text.
<b>PJ Staff Consulted:</b> Click or tap here to enter text.	
<b>Name of HUD Reviewer(s):</b> Click or tap here to enter text.	<b>Date of Review:</b> Click or tap here to enter text.
<b>Type of Monitoring Review:</b>	<input type="checkbox"/> Project File Review <input type="checkbox"/> Policies & Procedures Review <input type="checkbox"/> Combined: Project <u>and</u> Policies & Procedures Review

**NOTE:** All questions contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance.

File Selection Summary (Required)	
<b>Program Year(s) Reviewed:</b>	Click or tap here to enter text.
<b>Number of Files Reviewed:</b>	Click or tap here to enter text.



# Order of Discussion of Monitoring Topics

Regulatory Requirements			Program Design
<b>Participant Selection</b>	<b>Delivery of Assistance</b>	<b>Administration &amp; Monitoring</b>	<b>Program Design &amp; Operational Considerations (beyond Regulatory Requirements)</b>
Selection Procedures	Property Requirements	Eligible Costs	Targeting
Project Underwriting	TBRA Subsidy	Procurement	Administrative Efficiencies
HOME Subsidy	Contract & Lease	Recordkeeping	





# Monitoring of TBRA Program Requirements

# Discussion of Topic Areas

## Requirements

- Key regulatory requirements on which the Exhibit Questions are based

## Documentation

- Items that must be documented to demonstrate compliance, including both policies & procedures and file documentation

## Compliance Review

- Compliance determinations that go beyond basic file documentation (as needed)



# Program Approval & Commitment/Set-up

## Consolidated Plan Certification

PJ may use HOME funds for TBRA only if:

- PJ makes the certification about inclusion of this type of assistance in its consolidated plan
- PJ specifies local market conditions that lead to the choice of this option

## Commitment & IDIS Set-Up

Following execution of written agreement or rental assistance contract, PJ may set up project in IDIS:

- HOME FACTS 9.1: Set Up, Fund, and Complete HOME TBRA Activities in IDIS (also June 2020 Webinar)



# Participant Selection

## Requirements

- Written tenant selection policies & criteria
- Procedures for consistent policies application

## Documentation

- Written tenant selection policies
- If preferences, supporting documentation

## Compliance Review

- Tenant selected following selection policies
- PJ determined tenant is not a student



# If Preference for Special Needs/Disabilities

## Requirements

- Included in tenant selection policies & eligibility criteria
- PJ's policies must provide that services are **not** mandatory

## Documentation

- If preferences, supporting documentation

## Compliance Review

- Preferences consistently applied
- Tenant/household meet the special needs eligibility criteria



# Program Options

Additional program options (PJ may choose, but not required):

- Self-sufficiency program
  - Assistance cannot be terminated if household ends participation in program
- Lease-purchase program
  - Assistance must be used for rent, not down payment
  - Limited to 36 months
- Portability of assistance
  - If portable, may use outside jurisdiction



# Income Determinations

## Requirements

- Low Income tenants – 80% AMI
  - Also 90% @ 60% program rule
- Income definition & documentation
- Procedures: Annual determination

## Compliance Review

- Consistent use of one definition
- Consistent projection of income

## Documentation

- Income eligible under the limits
- Income projected correctly
  - Definition inclusions/exclusions
  - Projection for all HH members
- Within 6 months of assistance
- 2 months source documentation
- Annual re-determination



# Property Standards

## Requirements

- Housing Quality Standards (HQS): minimum criteria
- Unit must be inspected annually

## Documentation

- HQS inspection done at time of lease (dated, signed)
- Unit met HQS (and lead-based paint) by lease execution
- Annual HQS inspection conducted and documented



# TBRA Subsidy

## Requirements

- Rent standard
- Rent reasonableness
- Tenant contribution
- Rental subsidy

## Documentation

- PJ's program policies - rent standard and minimum tenant contribution
- Calculation of HOME subsidy & tenant contribution based on adjusted income
- If security deposit assistance was provided, amount is  $\leq$  2 months' rent



# Contract Execution

## Requirements

- Rental Assistance Contract: amount, term, rent reasonableness, annual inspections, tenant protections
- If rental assistance contract only with owner, written agreement with family

## Documentation

- Signed contract in file
- Tenant written agreement, if Contract not with tenant

## Compliance Review

- If self-sufficiency program, compliance requirements for self-sufficiency



# Lease Provisions

## Requirements

- Lease required
- Tenant protections (92.253)
- PJ has reviewed/approved lease

## Documentation

- Lease includes tenant protections
- Lease includes VAWA lease addendum (if post-12/16/16)
- Lease is for one-year or an agreed-upon term
- PJ reviewed and approved lease



# Other Administrative Requirements

## Cost Eligibility

- Ensure all HOME costs are eligible

## Contractor

- If PJ procures contractor to administer TBRA, procurement requirements including a written agreement
- Use Exhibits 7-34 and 34-3

## Records

- Retain records for 5 years after assistance terminates





# Program Design Considerations: Enhancing TBRA Programs

# Program Targeting



## Limits of HOME TBRA

- 24-month limit on assistance (but can be renewed)
- Must meet 90% at 60% Program Rule
- Limited resources (many other uses of HOME)



## Role of HOME TBRA

- Fill gaps between needs and other resources



## Targeting HOME TBRA

- Program options: self-sufficiency, lease-purchase
- Use of preferences or priorities to target funds



# Administrative Model/Entity

- PJ can administer directly or use a subrecipient or contractors
  - PHAs and many nonprofits have experience administering rental assistance
  - If program is targeted to a special population, there might be agencies that are experienced with that population
- PJs: may have changing capacity (staffing changes, other programs)
  - Is TBRA administration a good use of PJ staff?
- Also need to consider administrative budget & resources
  - Can a subrecipient or contractor do it more effectively and efficiently?
- If outside entity, is the PJ set up to monitor the entity and the program?
  - PJ must monitor contractors and subs at least annually.
  - If contractor, subject to procurement



# Administrative Considerations and Efficiencies

## IDIS

- HOME FACTS guidance on set up, funding and completing TBRA Activities in IDIS

## Inspectors

- Training for inspectors
- HQS and LBP

## Project Delivery Costs

- Income determinations and inspections

## Lease

- Use of standard lease or addenda

## Rental Assistance Contract

- Three party contract v. separate tenant written agreement





# Preparing for HUD Monitoring

# CPD Monitoring Handbook Exhibit 7-31 - TBRA

## Guide for Review of TBRA Projects and/or Policies & Procedures

Exhibit 7-31  
HOME Program

6509.2 REV-7 CHG-1

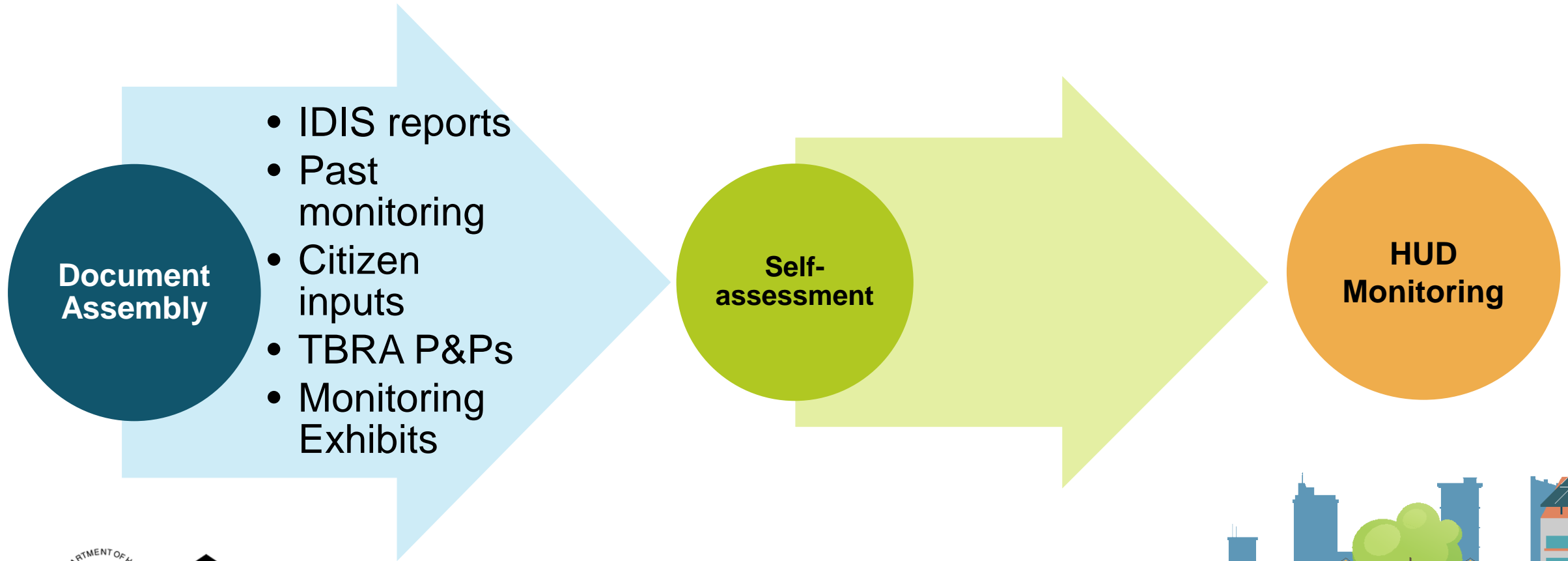
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# Preparing for HUD: Document Assembly



# Preparing for HUD: Self-Assessment

**Document  
Assembly**

**Self-  
assessment**

- P&Ps review
- Documentation review
- Monitoring questions review

**HUD  
Monitoring**



# Pre-monitoring Self-assessment

## Regulatory Compliance

- Policies and procedures
- Written agreements and docs
- Regulatory limits and requirements
- Eligibility documentation

## Program Performance

- Program status (IDIS)
- Production vs. ConPlan goals

## Monitoring & Evaluation

- PJ monitoring
- Response to prior monitoring
- Citizen comments/media
- Staff skills/training
- Changes to program





# Resources & Tools

# CPD Monitoring Handbook

<b>CHAPTER 7: HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)</b>	<b>WORD</b>
<b>Optional Attachments 7-0 (4 files), Exhibits 7-1 through 7-23, and Attachment 7-1 – (REMOVED)</b>	
<b>Exhibit 7-24</b> - HOME Pre-Monitoring Checklist	<b>WORD</b>
<b>Exhibit 7-25</b> - Guide for Review of Program Oversight, Financial Management, and Cost Allowability	<b>WORD</b>
<b>Exhibit 7-26</b> - Guide for Review of Homeowner Rehabilitation Projects and/or Policies & Procedures	<b>WORD</b>
<b>Exhibit 7-27</b> - Guide for Review of Homebuyer Development and/or Rehabilitation Projects and/or Policies & Procedures	<b>WORD</b>
<b>Exhibit 7-28</b> - Guide for Review of Homebuyer Downpayment Assistance Projects and/or Policies & Procedures	<b>WORD</b>
<b>Exhibit 7-29</b> - Guide for Review of Rental Development or Rehabilitation Projects and/or Policies & Procedures	<b>WORD</b>
<b>Exhibit 7-30</b> - Guide for Review of Rental Project Compliance and/or Policies & Procedures	<b>WORD</b>
<b>Exhibit 7-31</b> - Guide for Review of Tenant-Based Rental Assistance (TBRA) Projects and/or Policies & Procedures	<b>WORD</b>
<b>Exhibit 7-32</b> - Guide for Review of Community Housing Development Organization (CHDO) Qualifications, Projects, and/or Policies & Procedures	<b>WORD</b>
<b>Exhibit 7-33</b> - Guide for Review of Match Requirements	<b>WORD</b>
<b>Exhibit 7-34</b> - Guide for Review of Contractor Written Agreements	<b>WORD</b>
<b>Exhibit 7-35</b> - Guide for Review of State Recipient Written Agreements and Oversight	<b>WORD</b>
<b>Exhibit 7-36</b> - Guide for Review of Subrecipient Written Agreements and Oversight	<b>WORD</b>

[https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/cpd/6509.2](https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2)



# HUD Exchange HOME Page – TBRA Topic

## HOME Topics

CHDO

Consolidated Plan

Consortia

Cross-Cutting Requirements

HOME & Other Federal Programs

Homeowner Rehabilitation

Homeownership

IDIS

Income Determination

Ma

Monitoring

Program Administration & Management

Rental Housing

Tenant-Based Rental Assistance

## HOME Tenant-Based Rental Assistance

HOME Investment Partnerships Program (HOME) permits Participating Jurisdictions (PJs) to create flexible programs that provide assistance to individual households to help them afford the housing costs of market-rate units. These programs are known as "Tenant-Based Rental Assistance," or TBRA. HOME TBRA programs differ from other types of HOME rental housing activities in three key ways:

- TBRA programs help individual households, rather than subsidizing particular rental projects.
- TBRA assistance moves with the tenant—if the household no longer wishes to rent a particular unit, the household may take its TBRA and move to another rental property.
- The level of TBRA subsidy varies—the level of subsidy is based upon the income of the household, the particular unit the household selects, and the PJ's rent standard (rather than being tied to the PJ's high and low HOME rents).

There are many different types of TBRA programs, but the most common type provides payments to make up the difference between the amount a household can afford to pay for housing and the local rent standards. Other TBRA programs help tenant pay for costs associated with their housing, such as security and utility deposits.

For more information on Tenant-Based Rental Assistance, see 24 CFR 92.209.

### Find by Resource Type

Policy Guidance and FAQs

Guidebooks and Tools

Videos and Training Material

Templates and Forms

Emergency TBRA

### Policy Guidance and FAQs

FAQs

[HOME Tenant-Based Rental Assistance FAQs](#)

View HOME Tenant-Based Rental Assistance FAQs.

HOME FACTS

[HOME FACTS Vol. 9, No. 1: Set Up, Fund, and Complete HOME TBRA Activities in IDIS](#)



# Building HOME Online Training

## Building HOME Online Training

New to the HOME Investment Partnerships (HOME) Program? Experienced and want to deepen your knowledge of HOME requirements? This is the right training for you. Let's get started!

TRAINING DETAILS & INSTRUCTIONS

QUICK VIDEO TOUR



Engaging, self-paced training when you need it.



Foundational training for government, nonprofit, for-profit, and property management staff



Guidance including notices, HOMEfires, and guides



Challenge questions and exams to test your understanding of the requirements

Module 9



TBRA

<https://www.hudexchange.info/trainings/building-home/>



# HOME FACTS Vol. 9, No. 1

## HOME FACTS Vol. 9, No. 1: Set Up, Fund, and Complete HOME TBRA Activities in IDIS



Community Planning and Development

HOME FACTS - Vol. 9, No. 1, May 2020

### Topic

This issue of HOME FACTS provides guidance on how Participating Jurisdictions (PJs) should set up, fund, and complete HOME tenant-based rental assistance (TBRA) activities in HUD's Integrated Disbursement and Information System (IDIS).

### Background

HOME regulations at 24 CFR §92.209(a) state that eligible costs for TBRA activities include rental assistance and security deposit payments. TBRA may also include utility deposit assistance, but only if this assistance is provided with TBRA or security deposit payments.

Before setting up a TBRA activity in IDIS, the requirements established at §92.2 for commitment to a specific local project must be met through the execution of a rental assistance contract between the PJ, state recipient, or subrecipient and the tenant and/or owner of the housing unit in accordance with §92.209.

<https://www.hud.gov/sites/dfiles/CPD/documents/HOME-FACTS-Vol-9-No-1-Set-Up-Fund-and-Complete-HOME-TBRA-Activities-in-IDIS.pdf>





# Wrap Up

# Questions?

