HOME-ARP Program Fact Sheet: Tenant-Based Rental Assistance

Overview:

HOME-ARP funds may be used to provide tenant-based rental assistance ("HOME-ARP TBRA") to individuals and families that meet one of the Qualifying Populations defined in the CPD Notice: Requirements for the Use of Funds in the HOME-American Rescue Plan Program ("the Notice"). A PJ may assist a qualifying household by providing payments towards housing and housing-related costs, such as rent, security deposits, utility deposits, and utility costs. Because HOME-ARP TBRA is attached to the qualifying household and not a particular rental unit, the household may choose to move to another unit with continued assistance as long as the new unit meets the applicable property standards. HOME-ARP TBRA may be provided in coordination with a non-profit HOME-ARP sponsor that facilitates a qualifying household’s use of HOME-ARP TBRA. The HOME-ARP sponsor may make rental subsidy payments and a security deposit payment on behalf of a qualifying household or may sublease a unit to the qualifying household.

Eligible Costs:

- **Eligible Costs**: HOME-ARP funds may be used to provide rental assistance, security deposit assistance, utility deposits, and utility payments to qualifying households. HOME-ARP may pay up to 100% of these costs for a qualifying household.

Project Requirements:

- **Portability of Assistance**: A PJ may require the HOME-ARP TBRA assisted household to use the assistance within the PJ's boundaries or may permit the household to use the assistance outside its boundaries as outlined at 24 CFR 92.209(d).
- **Term of Rental Assistance Contract**: The PJ must determine the maximum term of HOME-ARP TBRA assistance contracts and whether contracts will be renewable.
- **Maximum Subsidy**: The PJ must establish policies for the allowable maximum subsidy, which may differ from the maximum subsidy requirements at 24 CFR 92.209(h). PJs may provide up to 100 percent subsidy for rent, security deposit payments, and utility bills. The PJ must also establish policies for determining any household contribution to rent.
- **Rent Reasonableness**: The PJ must determine whether the rent is reasonable in comparison to rent for other comparable unassisted units and must disapprove a lease if the rent is not reasonable.
- **Housing Quality Standards**: Housing must comply with all housing quality standards required at 24 CFR 982.401 (or successor inspection standards issued by HUD) unless the
tenant is residing in a HOME or HOME-ARP unit, in which case the PJ may defer to initial and ongoing inspection standards for the housing.

- **Use of a HOME-ARP Sponsor**: A HOME-ARP sponsor – a nonprofit organization that provides housing or supportive services to qualifying households – may facilitate the leasing of a HOME-ARP rental unit or the use and maintenance of HOME-ARP TBRA. A sponsor may make rental subsidy payments and a security deposit payment on behalf of a qualifying household.

**PJ Management and Oversight:**

- **Rental Assistance Contract**: HOME-ARP TBRA must be provided through a rental assistance contract with the PJ and (1) an owner that leases a unit to a qualifying household; (2) the qualifying household, (3) a HOME-ARP sponsor or (4) an owner and the qualifying household in a tri-party contract.

- **Lease and Sublease**: PJs must require and verify that there is an executed lease between the qualifying household and the owner of the rental unit or a between an owner and a HOME-ARP sponsor with a sublease between the qualifying households and the HOME-ARP sponsor that complies with tenant protection requirements in accordance with 24 CFR 92.253(a). PJs may permit a HOME-ARP sponsor to execute a lease with an owner for an individual unit or a master lease for more than one unit restricted for occupancy by HOME-ARP TBRA households.

- **Written Agreement with HOME-ARP Sponsor**: The PJ must enter into a written agreement with the HOME-ARP sponsor if the HOME-ARP TBRA rental assistance contract is not with the HOME-ARP sponsor and the HOME-ARP sponsor will be receiving the HOME-ARP TBRA subsidy directly from the PJ.