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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.

STEP 1: SETTING ASIDE FUNDS FOR THE TBRA ACTIVITY

If the Participating Jurisdiction Administers its own TBRA Program:

A PJ that is administering its own TBRA program must establish a HOME Entitlement (EN) activity in IDIS based on the total amount it specified in the rental assistance contract executed with the project owner or tenant. EN funds are the PJ's unrestricted HOME grant funds it uses to fund HOME activities that are not undertaken by a state recipient, subrecipient, or Community Housing Development Organization (CHDO). Please note that a PJ may not:

- Fund a HOME TBRA activity in IDIS for the total amount of HOME funds it plans on using for its TBRA program (unless it is the same amount specified in the rental assistance contract executed with the project owner or tenant.)
  - For example, if a PJ specifies in its annual action plan that it will use $100,000 for a TBRA program that it will administer, it may not set up a TBRA activity and fund it for $100,000.
- Set aside funds for a TBRA program using subgrants in IDIS, nor may it subgrant funds to an entity that it controls (e.g., the PJ's social service organization) or a member of its own consortium.
  - For example, if a PJ specifies in its annual action plan that it will use $100,000 for a TBRA program that it will administer, it may not create an SU subgrant to itself, or an entity that it controls, in order to set aside the funds for its TBRA program.

If a State Recipient or Subrecipient Administers TBRA Program for the Participating Jurisdiction:

If a state recipient or subrecipient is administering a TBRA program on behalf of a PJ, the PJ must create a General Subgrant (SU) subfund in IDIS and subgrant SU funds to the state recipient or subrecipient in

the amount of the written agreement between the PJ and state recipient or subrecipient for the TBRA program. SU funds are funds a PJ uses to fund HOME activities undertaken by a state recipient or subrecipient. The written agreement between the PJ and the state recipient or subrecipient must be entered into before the subgrant is setup in IDIS and must be in the form required under §92.504(c)(1) for a state recipient, or §92.504(c)(2) for a subrecipient. The TBRA activity or activities will be funded with the subgranted SU funds once the state recipient or subrecipient enters into a written agreement for rental assistance with the owner or the tenant in accordance with the provisions of §92.209.

The PJ may not fund a TBRA program that is administered by a state recipient or subrecipient with EN funds.

STEP 2: SETTING UP THE TBRA ACTIVITY

A TBRA activity should be set up in IDIS only after a rental assistance contract has been executed with at least one tenant or project owner. There are three possible ways a PJ may setup a TBRA activity in IDIS.

a. Set up a single TBRA activity for each program year. Under this approach, the PJ would include all households it assists during a program year under one activity. For example, if a PJ assisted a total of 12 households at various times during its 2020 program year, all 12 households would be entered under the same activity number in IDIS at the time a rental assistance contract is executed for each household. If a household receives assistance for 24 months, it would be included in (at least) two different activities because it would be assisted in at least two different program years.
b. Setup a separate TBRA activity for each household assisted with TBRA funds. Here, the PJ would enter a separate activity in IDIS each time it executes a written agreement to provide TBRA to a different household.
c. Setup a separate TBRA activity for each state recipient or subrecipient that is administering a TBRA program on behalf of the PJ. In such cases, the PJ would enter one separate TBRA activity for each state recipient or subrecipient. The activity would remain in 'Open' status in IDIS until the end of the performance period specified in the TBRA contract with the state recipient or subrecipient or until the last drawdown is processed for the activity, whichever date is later.

Refer to Chapter 12 of the *HOME IDIS Training Manual for PJs* for detailed instructions on how to set up a TBRA activity in IDIS.

STEP 3: FUNDING THE TBRA ACTIVITY

Regardless of which setup option a PJ selects under Step 2 above, IDIS will not allow a PJ to fund a HOME TBRA activity until after at least one beneficiary has been entered on the *HOME Setup Detail* screen. This functionality is consistent with the HOME regulation at §92.502(b) which requires a PJ to execute a written agreement for a specific local project before funding the activity in IDIS.

- If the PJ subgranted SU funds to a state recipient or subrecipient, the PJ must use the SU subgrant to fund the TBRA activity.

- If the PJ is administering its own TBRA program, the PJ must use its EN funds to fund the TBRA activity.

When funding the TBRA activity, the PJ may fund the activity only for the subsidy amount required for households for which it has executed rental assistance contracts. The PJ may not fund the activity for the entire amount set aside for the TBRA program at the time the first rental assistance contract is executed.

Funding example: If the PJ executed a rental assistance contract with an owner or tenant for a monthly TBRA subsidy of $250 per month for 12 months plus a $250 security deposit, the PJ must fund the activity for $3,250.

$250 *(monthly subsidy) x* **12 months** *(length of rental assistance contract)*
+ $250 (security deposit) = **$3,250**

Refer to Chapter 18 of the *HOME IDIS Training Manual for PJs* for detailed instructions on how to fund a TBRA activity in IDIS.

STEP 3a: TBRA UNIT INSPECTIONS AND INCOME ELIGIBILITY COSTS

The PJ may increase the funding for the TBRA activity in IDIS to include costs to pay for inspecting the housing and determining income eligibility as described in §92.209(a).

STEP 4: ADDING ADDITIONAL TBRA BENEFICIARIES

Additional beneficiaries may be added to the TBRA activity in IDIS as rental assistance contracts are executed with each new tenant or unit owner. Refer to Chapter 12 of the *HOME IDIS Training Manual for PJs* for detailed instructions on how to add/edit TBRA beneficiaries in IDIS. The funded amount for the TBRA activity should also be adjusted each time a new beneficiary is added and each time subsidy information is edited for an existing beneficiary (e.g., increase/decrease in subsidy amount, change in length of tenant contract, etc.)

STEP 5: DRAWING DOWN FUNDS FOR THE TBRA ACTIVITY

The PJ may only drawdown funds for the TBRA activity as it incurs eligible costs. The PJ must retain records of related expenditures in its project files. Refer to Chapter 19 of the *HOME IDIS Training Manual for PJs* for detailed instructions on how to disburse HOME funds.

STEP 6: COMPLETING THE TBRA ACTIVITY

The PJ should complete its TBRA activities in IDIS based on the approach it selected in "Step 2" of the process.
   a. If the PJ setup a single TBRA activity for its entire program year, it should complete the activity in IDIS after all beneficiary data has been entered and the final TBRA subsidy payment has been disbursed for households served during that period.
   b. If the PJ setup a separate TBRA activity for each household it served, the PJ should complete each activity in IDIS after the final disbursement is made for each specific household.
   c. If the PJ setup a separate activity for each state recipient or subrecipient that is administering a TBRA program on the PJ's behalf, the PJ should complete each TBRA activity in IDIS at the end of the performance period shown in the written agreement with each organization, or after the final drawdown for the activity has been processed in IDIS, whichever date is later. However, HUD expects PJs to minimize the gap between the end of a state recipient's or subrecipient's performance period, and final drawdown and activity completion in the system.

Refer to page 11 of Chapter 3 of the *HOME IDIS Training Manual for PJs* for detailed instructions on how to complete an activity in IDIS.

After the status of the activity is changed to "Completed" in IDIS, the system will release any undisbursed funds from the activity making them available to commit to other eligible activities. However, the PJ

should review its local policies and procedures as well as its citizen participation plan to determine if it must also amend its consolidated plan and/or annual action plan.

QUESTIONS OR ASSISTANCE

Questions regarding the design or implementation of HOME TBRA programs should be directed to your CPD Representative in your local HUD Field Office.