

## TENANT-BASED RENTAL ASSISTANCE

### HOME Helps Renters

HOME funds can be used to provide direct assistance to low-income households who need help paying their rent. HOME-funded Tenant-Based Rental Assistance (TBRA) is a rental subsidy that helps make up the difference between what a renter can afford to pay and the actual rent for a home.

Using HOME funds for TBRA is ideal for jurisdictions with:

- A high vacancy rate for standard housing that is not affordable to low- and very low-income households;
- Very high development costs, where it is more cost effective to provide a rental subsidy than to construct or rehabilitate housing units, or where large public subsidies are needed to spur private development; and
- Residents with special housing needs who need financial assistance to afford rent.

### TBRA Provides Needed Subsidy

Low-income households can receive HOME TBRA to help pay rent, utility costs, security deposits, and utility deposits. HOME TBRA Program is unique because:

- It helps individual households,
- It can be used in a unit chosen by the tenant, and moves with the tenant, and
- The amount of the rental subsidy is based on the income of the household, the particular unit the household selects, and the Participating Jurisdiction's (PJ's) rent standard.

### TBRA is Flexible

A PJ has the ability to tailor its TBRA program to meet the needs of its own community. For example, a PJ can:

- Choose the population served. The PJ may design its program so that it serves the entire community, or focus only on a special purpose or specific housing need, such as elderly tenants, large families, or a special needs population that has been identified in the PJ's Consolidated Plan.
- Choose the type of assistance provided. The PJ may provide assistance for rent and/or for security deposits in the form of grants or loans. PJs can also provide utility deposit assistance in conjunction with security deposit assistance.
- Choose to pay the subsidy to the assisted household, or through contract with the property owner.

The assisted household also benefits from the flexibility of HOME TBRA. The household can:

- Choose the neighborhood it wants to live in,
- Choose the type of housing and specific housing unit, and
- Move to other housing, as needed. If a PJ permits it, TBRA can even be used outside the PJ's jurisdiction.

### TBRA Can Work in Partnership With Other Programs

TBRA funds can supplement other program funds to enhance the services provided by other programs. For example, a PJ can:

- Form a partnership with the local housing authority to use HOME TBRA to assist those on the Section 8 waiting list.
- Use TBRA to assist tenants identified as potential homebuyers under a lease-purchase program, until the purchase is complete.
- Require TBRA recipients to participate in a self-sufficiency program (for example, a bootstrap program) in order to receive assistance.
- Choose to use TBRA to support housing development activities. PJs can undertake the rehabilitation of occupied, or partially occupied properties by providing TBRA assistance to households displaced by the housing projects. However, the TBRA assistance stays with the tenant household whether it moves or stays at its current residence.

### Learn More About the HOME Program

To obtain more information on the HOME Program, visit the HOME Program website at <http://www.hud.gov/offices/cpd/affordablehousing/programs/home>, or contact the Community Planning and Development (CPD) Office of U.S. Department of Housing and Urban Development. To locate the field office nearest you, go to <http://www.hud.gov/directory/ascdir3.cfm>.

\*\*\*\*\*

## UNDERSTANDING TENANT-BASED RENTAL ASSISTANCE HOME Terms and Requirements

### Eligible Participants

The majority of households who receive HOME TBRA assistance must be very low-income. This means that they have a gross annual household income of 60 percent or less of the median income for their area, as determined by HUD. No assisted household may have an income that exceeds 80 percent of area median income.

**PJs are responsible for verifying that those assisted meet the low-income requirements before assistance is provided, and annually during the period of assistance.**

### Eligible Units

Assisted households identify the housing unit of their choice. Eligible properties may be publicly or privately owned and must meet Housing Quality Standards, as determined by the PJ prior to occupancy and annually thereafter. TBRA may be used in HOME-assisted units, but the property does not have to be a HOME-assisted unit. The PJ can elect whether it will allow an assisted household to choose a unit outside its jurisdiction.

### Rents

Units must have reasonable rents, based on rents that are charged for comparable unassisted units in the jurisdiction. The PJ must establish a rent standard, and can pay an assisted household no more than the difference between 30 percent of the household's income and the PJ's rent standard. The PJ must establish a minimum tenant contribution toward rent.

### Key Program Requirements

HOME requires that TBRA projects meet the following requirements:

- The PJ must select families based on written tenant selection policy and criteria;
- Assisted units must meet applicable property standards;
- Property owners must use leases that contain certain provisions to protect tenant's and other participants' rights. The PJ must approve the lease used;
- Length of TBRA assistance must be for at least one year (unless otherwise agreed upon by owner and tenant), and may not exceed two years. It is renewable;
- The PJ must monitor its TBRA program on an ongoing basis, to ensure compliance with HOME Program requirements. At a minimum, monitoring must include an annual
  - ✓ Inspection to determine that the unit continues to meet property standards,
  - ✓ Re-verification of tenant income to ensure assisted households are low income, and
  - ✓ Review of rental payments to determine that the rents remain reasonable.