

# HOME Investment Partnerships Program FAQs

Last Updated: August 10, 2016

Description:

This document contains the HOME Investment Partnerships Program FAQs posted on the HUD Exchange website (<https://www.hudexchange.info/home/>). The FAQs are organized by topic.

# **Tenant-Based Rental Assistance**

## How can HOME funds be used to assist individuals or households who are at risk of losing their transitional or permanent housing?

Updated: August 10, 2016

HOME funds cannot be used to pay ongoing operating costs for transitional or permanent housing projects to enable these projects to continue their operation. However, HOME can be used to assist tenants who are at risk of losing their housing, where the participating jurisdiction (PJ) has identified using HOME TBRA assistance to meet this unmet housing need to be consistent with the priorities and criteria established in the PJ's Consolidated Plan.

Specifically, HOME TBRA programs can provide security deposit assistance or contracts for monthly rental assistance payments for up to 24 months that are renewable beyond the initial 24-month term, and may include security deposit grants or loans. When providing security deposit assistance or tenant-based rental assistance, HOME TBRA programs can also provide utility deposit assistance.

A PJ can use its HOME funds to establish a TBRA program that serves any income-eligible household in its jurisdiction (generally, households with incomes at or below 60% of area median income). The PJ also may establish a tenant preference that targets TBRA assistance to persons with special needs (e.g., homeless persons, victims of domestic violence, elderly households, etc.) or to persons with disabilities.

If a PJ wishes to provide assistance to persons who are at risk of losing their housing, it may design a TBRA program that is limited to or includes a preference for households at risk of being displaced from their housing units. A PJ that operates an existing HOME TBRA program can establish an additional tenant preference for households at risk of displacement. However, TBRA recipients must be free to use the rental assistance to lease any unit that meets the PJ's standard for rent reasonableness and unit condition (See 92.209(f) and 92.209(i)). Award of TBRA cannot be conditioned on the recipient remaining in the unit from which they are at risk of being displaced. As with any HOME tenant preference, the provision of TBRA to this sub-population must be identified in the PJ's 5-year Consolidated Plan and its Annual Action Plan. A PJ seeking to establish a new HOME TBRA program must take the following steps, in addition to complying with all applicable HOME regulations:

- 1) Amend the affordable housing section of its strategic plan to include a discussion of the specific local market conditions that led to the choice to use HOME funds for TBRA. (24 CFR 91.215(b)(1); 24 CFR 91.315(b)(1)).
- 2) Amend the Action Plan to describe the eligible applicants for its TBRA program. The PJ may limit the beneficiaries or give preferences to a particular segment of the low-income population only if described in the action plan. If the PJ is limiting its TBRA program to or establishing a preference for these households, the PJ must determine that the limitation or preference does not violate HOME Program nondiscrimination requirements at 24 CFR 92.350. (24 CFR 91.220(1)(2)(v) & (vi); 24 CFR 91.320(k)(2)(v) & (vi)).
- 3) Make appropriate amendments to the following sections of the Consolidated Plan and Action Plan:
  - Priority Needs (§ 91.215(a)(2); § 91.315(a)(2); § 91.415)
  - Goals (§ 91.215(a)(4); § 91.315(a)(4); § 91.415)
  - Annual Goals and Objectives (§ 91.220(c)(3) and (e); § 91.320(c)(3) and (e); § 91.420)
  - Projects and allocation priorities, (§ 91.220(d); § 91.320(d); § 91.415§ 91.420).
- 4) Submit a signed certification to HUD that the use of HOME funds for TBRA is an essential element of its Consolidated Plan (24 CFR 91.225(d)(1); 91.325(d)(1); §91.425(a)(2)(i)).

The creation of a TBRA program or reprogramming of significant HOME funds to TBRA from another use likely constitutes a substantial amendment to the Consolidated Plan under 24 CFR 91.505(b). If this is the case, the PJ must conduct citizen participation in accordance with its Citizen Participation Plan.

The HOME regulations at 24 CFR 92.351 establish affirmative marketing requirements for HOME-funded projects and programs, including TBRA programs. PJs that establish a TBRA program limited to or providing a preference for persons being displaced or at risk of displacement are required to market the program in a manner consistent with its affirmative marketing procedures and requirements to all potentially eligible persons in the housing market area (including persons not likely to apply without special outreach) who would be likely to benefit from the HOME assistance. As a practical matter, PJs can limit the number of TBRA households assisted based on the availability of HOME funds. However, a preference cannot be so narrowly defined that it limits the availability of assistance to households displaced from or at risk of displacement only from specific projects. (A preference may be provided for households displaced or at risk of displacement from units losing operating or rental assistance, but the preference may not be limited to households from specific, named projects.)

While the PJ may require HOME TBRA to be used within the PJ's jurisdiction, a household selected to receive HOME TBRA must otherwise be permitted to use the TBRA in any unit that meets the Housing Quality Standards in 24 CFR 982.401, the rent reasonableness standards in 24 CFR 92.209(f), and the lease requirements in 24 CFR 92.253 (a) and (b).

For additional information on the use of HOME TBRA assistance, please consult the following resources:

- [Building HOME Manual, Chapter 7](#)
- [HOME TBRA Fact Sheet](#)

**Section 92.252(d) requires the participating jurisdiction (PJ) to use the HUD Utility Schedule Model to determine a project's annual utility allowance or otherwise determine a project's utility allowance based upon the utilities used at the project. Is this requirement applicable to a PJ's HOME Tenant-based Rental Assistance (TBRA) Program?**

Updated: November 22, 2013

No, the requirement to use HUD's Utility Schedule Model is only applicable to HOME-assisted rental housing projects. However, PJs administering a TBRA program must establish a payment standard which represents the rent plus utility cost of moderately priced units that meet HUD HQS in the jurisdiction. Therefore, when tenants pay their own utilities, the PJ must establish a utility allowance amount that is deducted from the tenants' rent payment to the owner. HUD recognizes that Public Housing Authorities (PHAs) often administer a PJ's TBRA program and in the interest of reducing the administrative costs to TBRA administrators, the HOME Program permits the PJ to use the PHA's utility allowance schedule for its HOME TBRA program. The PJ may also use other HUD-approved methodologies to establish utility allowances for its HOME TBRA program.