NOTE: Do not submit this document as your administrative plan. Also, do not submit KHC’s Housing Choice Voucher Administrative Plan. You must create your own by using the document below as your guide. Take each bulleted pointed and incorporate it into your plan. Following some sections below are questions to ask yourself to help you develop your plan.

Guidelines For Creating a TBRA Administrative Plan

I. ELIGIBLE TBRA ACTIVITIES

• TBRA funds may be used (1) to provide rental assistance to help pay the cost of monthly rent and utility costs, and (2) to pay security deposit assistance to tenants regardless of whether rental and utility subsidies are being provided. Utility deposit assistance may be provided only in conjunction with rental assistance subsidy or security deposit assistance, and cannot be a stand-alone TBRA activity.

• HOME TBRA funds may be used to pay for reasonable planning and administrative expenses associated with operating a TBRA program. Such expenses are subject to the 10 percent limitation on administrative costs.

Question: What activities (on-going rental assistance, security deposits, utility deposits), will my HOME TBRA program consist of? What do the people I work with need? Is there another source of utility or security deposits in the community? Do I need to furnish all three?

II. INELIGIBLE USES OF TBRA FUNDS

HOME TBRA funds cannot be used for the following activities:

• To make commitments to specific owners for specific projects. (Tenants must be free to use the assistance in any eligible unit.)

• To assist resident owners of cooperative housing that qualifies as home ownership housing. Cooperative and mutual housing may qualify as either rental or owner-occupied housing under the HOME Program, depending upon the provisions of the agreement applying to the unit.

• To prevent displacement of or provide relocation assistance to tenants as a result of activities other than the HOME Program.

• To provide TBRA to homeless persons for overnight or temporary shelter. The HOME TBRA subsidy must be sufficient to enable the homeless person to rent a transitional or permanent housing unit that meets Housing Quality Standards (HQS).
• A family cannot receive HOME TBRA if they are receiving rental assistance under another federal program or a state or local rental assistance program, if the HOME subsidy would result in duplicative subsidies.

### III. ELIGIBLE BENEFICIARIES

KHC requires that households, at time of entry into the program, be at or below 60 percent of the area median income. Additionally, 20 percent must serve households at or below 50 percent of the area median income, adjusted for household size as defined by federal Section 8 income guidelines. Income limits are established by household size and revised annually by HUD. HOME income limits may also be used since they are identical to Section 8 income limits.

### IV. TENANT SELECTION

**NOTE:** Through the use of local preferences, HOME TBRA recipients can target funds to meet specific needs or serve specific populations, provided the HOME recipient does not discriminate within the targeted population.

• To ensure that households are selected for assistance in a fair and equitable manner, the agency must create or adopt a waiting list. The waiting list identifies all interested applicants and documents the process by which their eligibility is confirmed and the order in which they receive assistance.

• HOME TBRA programs must have a written tenant selection policy that clearly specifies how families to be assisted will be selected. This policy must be maintained on file and available to HUD and the public upon request.

  *Note: See Appendix 1 for a sample outline of a written tenant selection policy and outreach strategy.*

• HOME TBRA programs may establish a preference for individuals with disabilities or special needs or for a specific category of individuals with disabilities. Typically, this would be done in conjunction with other activities that provide appropriate non-mandatory supportive services to the persons with disabilities. Applicants must explain how and what documentation they will use to obtain to verify the preferences chosen.

• Local preferences outlined in the tenant selection policy cannot be administered in a manner that limits the opportunities of persons based on race, color, religion, sex, national origin, disability, or familial status. A person given a preference for the TBRA program may not be prohibited from applying for a program for which he or she might qualify.

• In addition to the income requirements previously discussed, KHC HOME TBRA may establish a preference for the following disability or other special needs groups, which are defined as:

  • Disabilities: Physical Disabilities
    Severe Mental Illness
    Mental Retardation/Developmental Disabilities
    Substance Addiction
HIV/AIDS
Traumatic Brain Injuries
Autism

- Special Needs: Homeless Individuals
  Homeless Families
  Victims of Domestic Violence

- While households with more than one disability or special need may be targeted, the applicants supportive services plan must indicate how and by whom the appropriate supportive services will be provided.

**Question:** What are the groups most in need of housing in my area? If I choose to target one or more of them, can I provide the needed supportive services? If I can’t is there a local agency that can?

**V. LIMITATIONS ON THE AMOUNT OF TBRA FUNDING PROVIDED**

- First-time applicants - The amount of the TBRA award to a first-time recipient will not exceed $50,000. Future requests may be for a higher amount based on prior expenditure rates, applicant capacity, and program demand.
- The HOME TBRA funding agreement states that the recipient has two years to expend the funds awarded, whether first-time or repeat applicants.
- HOME TBRA assistance may be provided to a household for up to two years from a single allocation of funds (to the agency). Recipients are responsible for managing funds and numbers of households served, and should not serve more households than approved in the agency’s funding agreement. Likewise, recipients are cautioned to counsel participating households that subsidy is not guaranteed for a specific time period, but rather assistance will be provided until funds are exhausted.

**Question** Are there any permanent affordable housing resources (Housing Choice Voucher, Public Housing, privately-owned subsidized apartments) in my community? Are any of them willing to set aside units for my HOME TBRA participants.

**VI. LENGTH OF RENTAL PAYMENT ASSISTANCE & ANNUAL REQUIREMENTS**

Families are required to put their name on the local public housing authority’s Section 8 (Housing Choice Voucher) waiting list, if it is open, at the time that they apply for assistance through the recipient’s HOME TBRA program. Families are eligible for assistance through the recipient’s HOME TBRA program for a 24-month period.

However, due to long or closed Section 8 (Housing Choice Voucher) waiting lists families may need to be
assisted for more than the 24-month period. Families may be assisted for longer than the 24-month period as long as the assistance is provided through a different allocation of HOME TBRA funds.

Recipients must conduct income and asset re-verification and (if rental subsidy is being provided) a Housing Quality Standards (HQS) inspection annually, prior to the anniversary date of the household’s initial move-in.

Families may move to a different unit within the recipient’s service area. Households may not move outside the service area and continue to receive HOME TBRA assistance.

**Question:** How many times will I allow my HOME TBRA households to move during the two-year grant period? If they are allowed to move, will I pay another security deposit for them? What about utility deposit? Will I allow a household to break its lease? If so, under what circumstances? (threats from neighbors, dangerous neighborhood, domestic violence, unfair landlord, etc.)

### VII. PAYMENT STANDARDS

HOME TBRA programs must set a payment standard for each available unit size. The payment standard is intended to represent the cost (rent and utilities) in the service area of moderately priced units that meet Section 8 HQS.

If the payment standard is set too low in comparison to the actual cost of modest, standard housing in the community, voucher holders may be unable to find housing. If the payment standard is too high, the agency may provide more subsidy than is needed and therefore, not make the best use of HOME funds.

The HOME Program offers three choices for setting the payment standard:

1. The payment standard may be based upon the Section 8 Existing Housing Fair Market Rent (FMR). Using this method, the payment standard for each unit size may be no less than 80 percent of the published FMR and not more than the published FMR or HUD-approved community-wide exception rent in effect at the time. This method is attractive because it requires little market analysis on the part of the HOME recipient.

2. Because HUD’s FMR market areas are quite large, the published FMR may be dramatically high or low for a specific jurisdiction within the FMR area. For this reason, the HOME program offers a second option for establishing the payment standard. The payment standard may be established at any level (higher or lower than the FMR), based upon the applicant’s own market analysis. To exercise this option, the applicant must document the results of the market analysis.

3. For the 85 counties that KHC’s Rental Department serves, the recipient may use KHC’s Payment Standard which is updated each October. If the recipient is proposing to serve a county outside of KHC’s jurisdiction, they may contact the local public housing authority for those counties and use their payment standard.
VIII. SUBSIDY METHODS

TBRA applicants must use the Section 8 method of income verification for families seeking TBRA assistance. The subsidy method allowed is based on the Section 8 Housing Choice Voucher model. The tenant will pay a minimum of 30 percent of their monthly-adjusted income and a maximum of 40 percent of their monthly-adjusted income. *NOTE: If your agency has a minimum total tenant payment requirement, your administrative plan will need to clearly explain how households with zero income will be addressed.*

A household’s income must be at or below 60% of area median income at initial move-in. However, if at annual recertification the household income is above 60% but below 80% of area median, the household may continue to receive assistance. If the household’s income exceeds 80% of area median at annual recertification, it is no longer eligible for HOME TBRA assistance.

Using the housing choice voucher model, the rent charged by the owner must be reasonable, but is not limited by the payment standard. This model offers the tenant flexibility in the percentage of income contributed to housing cost, and in the cost of the unit selected. The housing choice voucher model requires the household to pay at least 30% of their monthly-adjusted income toward their rent but no more than 40% of their monthly-adjusted income.

The local public housing authorities are utilizing the Section 8 Housing Choice Voucher model. Many recipients use the same model to provide a household a smooth transition from the TBRA to the Section 8 program. *Note: See Appendix 2 for an example of the HOME TBRA Voucher calculation.*

IX. DETERMINING THE AMOUNT OF DEPOSIT ASSISTANCE

- HOME TBRA recipients may provide security and/or utility deposit assistance based upon a separate determination of need.
- Recipients who provide security and utility deposit only must establish a method of determining that households receiving deposit assistance only can continue to afford the unit rent without subsidy assistance. This may include referrals to other agencies that provide rental assistance, analysis of the household’s ability to pay rent without subsidy assistance, counseling, etc.
- HOME regulations allow the security deposit payment to be made to the tenant or the owner and the utility deposit payment to be made to the tenant or the appropriate utility company. However, KHC recommends that deposit payments be made directly to the owners and utility companies.

SECURITY DEPOSITS:
The amount of security deposit paid should be based upon local market practice. However, the maximum amount of HOME funds that may be provided for a security deposit is the equivalent of two months’ rent for the unit and should be reasonable. Only the prospective tenant, not the owner, may apply for HOME security deposit assistance. Note: Security deposit assistance must be in the form of a grant to the tenant. The applicant agency should have written policy in regard to what is reasonable, and address whether the family may receive assistance more than once if it chooses to move to another unit.

UTILITY DEPOSITS:
Utility deposits may be made in conjunction with the provision of rental assistance or security deposit programs, but cannot be operated separately as a “stand alone” program. Utility deposits may be paid for any of the tenant-paid utility services included on the utility allowance schedule. Telephone and cable deposits are ineligible. Note: Utility deposit assistance must be in the form of a grant to the tenant. The applicant agency should have written policy in regard to what is reasonable, and address whether the family may receive assistance more than once if it chooses to move to another unit.

ELIGIBLE UNITS:
HOME TBRA Voucher holders may select units that are publicly or privately owned, but TBRA may not be provided to a family that proposes to rent a unit that receives project-based rental assistance through federal, state or local programs, if the HOME assistance would provide a duplicative subsidy.

Units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units. The HOME TBRA recipient should establish a rent comparable book if they are administering a rental subsidy program (this is not required if the recipient is administering a deposit assistance-only program). The recipient may either contact its local public housing authority to copy their book or create their own.

Only units located within the agency’s TBRA service area are eligible to be leased.

Tenants may only use HOME TBRA in units that meet Section 8 HQS. Inspections must be made at initial occupancy and annually during the length of TBRA assistance.

The agency should develop occupancy standards that specify the number of bedrooms needed based on household size and composition. Section 8 HQS includes a basic occupancy standard of two persons per living/sleeping area. Occupancy standards are used to provide consistent criteria for determining the unit size for which the household is eligible and, thus, the amount of assistance to be provided. The basic standard can be modified to take into consideration specific household composition and circumstances. Fair housing rules permit a household to select smaller units that do not create seriously overcrowded conditions. Tenants may select larger units; however, the HOME recipient agency is not required to increase the subsidy to cover the increased costs of a larger unit.

However, in the case of an individual who is physically disabled to the extent that a personal attendant is required, a unit with an additional bedroom should be allowed and subsidized.
X. KEY PROCESSING STEPS

STEP 1: MARKETING AND OUTREACH ACTIVITIES
The HOME TBRA program marketing approach must address: 1) how the program will be announced; (2) where applications will be taken; (3) when applications will be accepted; and (4) the method for taking applications. The HOME TBRA program should include outreach activities that target owners of rental property to increase their interest in the program.

STEP 2: ACCEPT APPLICATIONS
All applications for assistance must be in writing. Potentially eligible applicants are placed on the waiting list based upon the preliminary application. When the applicant moves closer to the top of the waiting list, a more detailed application is taken and more current information is used to verify eligibility.

The application must contain, at a minimum, information that enables the agency to determine household income/asset and eligibility. A tenant file should be created for each applicant. This file, at a minimum, should contain the application, documentation of the household’s eligibility, copies of program forms and correspondence.

STEP 3: DETERMINING ELIGIBILITY
Applicants are selected from the waiting list in the order established by the local preferences as outlined in the agency’s tenant selection policy. To determine a household’s eligibility, the applicant must verify the following:

- **Household’s eligibility for program.** A household’s special need status may be documented by the applicant or by other appropriate source, such as a homeless shelter or domestic violence shelter. A household’s disability status must be documented by an appropriate service agency that provides referrals to the HOME TBRA program. Examples of service agencies are regional community health agencies; HIV/AIDS Care Coordinator Programs; or substance abuse counseling agencies.
- **Household’s eligibility for preference status (if applicable).** The household’s eligibility for the preference must be documented. If an applicant does not qualify for the preference claimed, the application is returned to the waiting list.
- **Household’s size and composition.** This will enable the agency to determine the number of bedrooms for which the household qualifies.
- **Household’s income/assets and adjustments to income.** This will enable the agency to determine if the household is income eligible and to calculate the subsidy amount for which the household qualifies.

Applicants who are determined ineligible must be notified in writing of this decision and should be given an opportunity to appeal the decision. Applicants who are determined eligible will be issued vouchers based on funds availability.
STEP 4: ISSUE VOUCHERS
The issuance of a HOME TBRA Voucher authorizes the household to begin looking for suitable housing. The voucher is generally issued in person during a counseling session with the household, often called the “briefing.”

The purpose of the briefing is to ensure that the household (1) understands its responsibilities, and those of the owner, and (2) has sufficient guidance to make an informed decision of housing.

The briefing session should cover the following topics:

- Responsibilities of the tenant.
- Limitations on the rent the owner may charge, including how utility allowances are used in this determination.
- Subsidy calculations, including how much may be charged, who pays, and who receives any refund. The recipient must have a policy defining what it considers to be reasonable childcare expenses and reasonable medical expenses (for determining adjusted income).
- Voucher expiration and extension policies.
- Guidance on selecting a unit, including HQS requirements and procedures for submitting the request for unit approval form. Families should be counseled against signing any lease until the applicant has approved the unit.
- Lead-based paint information.
- Fair housing information, including any search assistance that may be available and the process for filing a complaint in the case of discrimination.
- Security deposit and/or utility deposit assistance.

STEP 5: UNIT/LEASE APPROVAL
Once the tenant has located a unit and the owner has agreed to participate, the household and the owner jointly submit the Request for Unit Approval.

The Request for Unit Approval provides essential information about the property. The submission of this document triggers the HQS inspection, rent negotiation and review of the owner’s lease.

The owner’s lease document must be reviewed to assure that it does not include any of the prohibited lease provisions as outlined in 24 CFR Part 92 at 92.253. The simplest way to accomplish this is to use a lease addendum that nullifies any such provisions that exist in the owner’s lease. In addition, the lease addendum should cover key HOME program requirements that are not routinely included in private sector leases.

STEP 6: CONTRACT/LEASE EXECUTION
Both the lease addendum and the HOME Rental Assistance Contract are signed by all three parties (owner, tenant and agency that received HOME funds). Each Rental Assistance Contract should begin on the first day of the lease and on the first of the month whenever possible. **Note:** HOME funds cannot be used to assist a unit prior to the unit passing HQS inspection or prior to the full execution of the HOME
Rental Assistance Contract.

STEP 7: INITIATION OF PAYMENTS
In order to access funds, information concerning the project must first be entered into the HOME IDIS system. Once the TBRA project has been set up, the applicant may add families to the project as they are determined eligible.

HOME TBRA funds can be drawn down monthly to cover rental assistance payments and administrative costs.

XI. LEASE PURCHASE ASSISTANCE

The portion of HOME TBRA rental assistance the recipient pays on behalf of the tenant may not be used toward the purchase of a home. However, the portion of rent paid by the tenant is allowed to be used for this purpose.
APPENDIX 1

Sample Outline for Tenant Selection Plan and Outreach Strategy

Note: Agencies offering TBRA must have a written description of how tenants will be selected for the TBRA program. Agencies offering TBRA must also develop a marketing and outreach strategy that specifies how the program will be marketed, paying particular attention to fair housing issues and requirements. This outline assumes a single document that is used for both of these purposes.

I. Key TBRA Policies Affecting Marketing and Tenant Selection

A. Program Eligibility: Describe how the special needs and/or disability status of households will be established. Special needs status may be verified and documented by the applicant or other applicable agency such as a homeless or domestic violence shelter, while disability status must be verified by a service agency such as a community mental health agency.

B. Preferences. Describe any established local preferences and how they will be used.

C. Application Procedures. Describe the waiting list that will be used. If a separate TBRA waiting list is established, please describe:

- How the program will be announced. (Opening and closing of waiting lists must be publicly announced.)
- Where applications will be taken. (e.g., in one central location, accommodations for elderly/handicapped, etc.)
- When applications will be accepted. (e.g., on a continuing basis, for a limited time, only during certain hours, etc.)
- The method of application. (e.g., in-person, by mail, using interviews, etc.)

D. Occupancy Standards (sample only)

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<tr>
<th>Persons in Household</th>
<th>Voucher Size</th>
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<th>Maximum</th>
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Unit Assignment Policies (sample only). Unit assignments will be made on the following basis:
• Persons of the opposite sex, other than spouses, will not be required to share the same bedroom.
• Children of the opposite sex above the age of six will not be required to share the same bedroom.
• Children will not be required to share a bedroom with a parent.
• An unborn child may be considered for the purpose of assigning the bedroom size.
• Larger size units than indicated by these policies may be assigned if the applicant provides documentation that a larger unit is needed for health/medical reasons.

E. Voucher Expirations and Extensions.

The agency should establish a deadline for use of the Voucher, and describe the circumstances under which extensions will be granted. (Include any other established policies that affect how program participants will be selected.)

F. Termination of Tenancy and Tenant Moves.

State the agency’s policy with respect to owner termination of tenancy.

State the agency’s policy with respect to tenant evictions. Will the family be permitted to receive assistance in another dwelling, or will a tenant-caused eviction also terminate the household’s eligibility for assistance?

State the agency’s policy with respect to tenant moves. What kind of notice must the family give? Under what circumstances will the household be eligible for continued assistance?

II. Outreach to Potential Applicants

A. Demographic Description of Eligible Households.

Provide a brief description of the demographic characteristics of the potentially eligible population.

B. Referral Sources: Identify specific agencies in the applicant’s service area that will provide applicants that are verified as being households with either special needs and/or disabilities.

C. Least Likely to Apply Households.

Identify which households by reason of race/ethnicity, age, gender, handicap, familial status or income source are least likely to apply for assistance.

D. Outreach Activities.

Describe the outreach steps that will be taken to reach potential applicants, especially those
identified as least likely to apply. For example:

- Media (newspaper, television, radio, etc.) advertisement, news releases, and public service announcements. (Be sure to include both media serving the general population and media sources that support a particular group.)

- Public meetings and/or contacts with appropriate community organizations and institutions (e.g., social service providers, churches, community/resident groups, etc.).

### III. Outreach to Owners

A. Identify barriers to landlord participation.

B. Outreach Activities.

Describe the outreach steps that will be taken to reach owners of rental property throughout the community. For example:

- Media (newspaper, television, radio, etc.) advertisement, news releases and public service announcements. (Be sure to include both media serving the population in general and media sources that support a particular group.)
- Public meetings and/or contacts with appropriate community organizations and institutions (e.g., apartment managers associations, chamber of commerce, etc.)
- Identify any special outreach planned for owners of units outside of areas of low-income and minority concentration.

### IV. Compliance with Section 504 Accessibility Requirements

Describe how the program administrator will comply with Section 504 requirements including:

- Providing information materials in alternative formats (large print, on tape, etc.);
- Communicating with hearing impaired applicants; and
- Making reasonable accommodations to applicants with disabilities.
APPENDIX 2

Sample HOME TBRA Voucher Calculation

Note: KHC has created an Excel worksheet that will calculate the Voucher amount for you. The example below is all of the steps you would have to complete if you were to calculate the subsidy by hand.

The Smith’s have been issued a two-bedroom HOME TBRA Voucher. Their annual income is $22,500 and their adjusted income is $18,300. They find an apartment that rents for $800 (including utilities). The agency has established the payment standard for a two-bedroom unit at $775.

10% of Gross Monthly Income (GMI) = $188
30% of Monthly Adjusted Income (MAI) = $458
40% of Monthly Adjusted Income (MAI) = $610

HOME TBRA Voucher
Lesser of Payment Standard or Gross Rent $775
30% MAI $458
Maximum Subsidy (Applicable Payment Standard minus 30% MAI) $318
Total Family Contribution equals higher of
  - Gross Rent minus Maximum Subsidy $483
  - Minimum Total Tenant Payment (10% of GMI) $188
Total Voucher Subsidy equals lesser of
  - Gross Rent minus Total Family Contribution $318
  - Or Maximum Subsidy $318

Housing Assistance Payment and Utility Reimbursement
Housing Assistance Payment (HAP) to Owner equals lesser of
  - Total Voucher subsidy or Rent to Owner $318
Utility Reimbursement to Family
  - Total Voucher subsidy minus HAP $ 0

Family Rent to Owner
Rent to Owner minus HAP $483

Payment Summary
The tenant will pay $483 to the owner for rent.
Your organization will pay $318 to the owner for rent.