

## PROGRAM GUIDELINES

### PROGRAM: SANDY TENANT-BASED RENTAL ASSISTANCE PROGRAM

#### 1. PROGRAM DESCRIPTION

Superstorm Sandy made landfall on the New Jersey Atlantic Ocean shoreline on October 29, 2012. The State detailed in its Action Plan the substantial damage that Superstorm Sandy caused to the housing sector. The housing stock was severely depleted as homes were knocked off their foundations, left in a state of disrepair, or deemed to be hazards or dangerous to public health or welfare. In March of 2013 the United States Department of Housing and Urban Development (HUD) designated the nine easternmost New Jersey counties as eligible for Community Development Block Grants – Disaster Relief (CDBG-DR) funds. These nine counties are: Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union.

Superstorm Sandy caused the displacement of thousands of individuals from their homes. Many of the individuals who were permanently displaced are low and moderate-income. Given the Department of Community Affairs commitment to increasing the availability of affordable rental units, coupled with an increased demand for individual rental assistance, the State developed a program to provide tenant-based rental vouchers. The ultimate goal is to increase provision of affordable rental units to low-to-moderate income households. The program is already established within Section 4.5.2 Supportive Services Program of the Action Plan under an activity designed to prevent homelessness among low income residents in counties impacted by Superstorm Sandy.

The Sandy Tenant-Based Rental Assistance Program (Sandy TBRA Program) will provide up to 24 months of tenant-based rental assistance to eligible households.

#### 2. PROGRAM DESIGN

The Sandy TBRA Program follows all of the CDBG-DR requirements as well as all State of New Jersey Sandy Recovery division policies.

**2.1 PROGRAM ALLOCATION:**  
\$32,000,000

**2.2 USE OF FUNDS:**  
Grant funds will provide temporary rental assistance to low and moderate-income residents of the nine most impacted counties to prevent homelessness.

**2.2.1 TERMS OF ASSISTANCE:**

The TBRA will be for 12 months with an option to renew for up to an additional 12 months.

**2.2.2 TENANT RENT:**

The household will pay 30 percent of their adjusted income for their portion of the rent, minus the applicable utility allowance. The Program will subsidize the difference between the *Tenant Rent* and the *Unit Rent*. The unit rent may not exceed 130% of HUD’s FMR for the county where the unit is located.

**2.2.3 MAXIMUM ASSISTANCE:**

Funding will provide up to 24 months of rental assistance to approximately 1, 400 households. Maximum amount of assistance to a household will not exceed 24 months.

**2.2.4 OCCUPANCY STANDARDS:**

The number of bedrooms needed by households of various sizes and composition:

<b>OCCUPANCY STANDARDS</b>	
<b>Bedroom</b>	<b>Household Size</b>
0-bedroom	1
1-bedroom	1-2
2-bedroom	2-4
3-bedroom	4-6
4-bedroom	6-8

Exceptions to these standards may be considered because of the age, sex, health, handicap, relationship of household members or other individual circumstances.

**2.2.5 PORTABILITY**

None.

**2.2.6 SET-ASIDE:**

\$11,250,000 will be set aside for households at or below 30% of the Area Median Income.

**2.2.7 SELECTION**

An electronic application (in both English and Spanish) will be posted on both the DCA website (<http://www.nj.gov/dca/> ) and the Renew Jersey Stronger website (<http://www.renewjerseystronger.org/>). Applications will be translated upon request in the event an applicant requires an application in a language other than Spanish.

All complete applications received by the announced closing date will be accepted for the lottery selection. All accepted applications will be entered into the Housing Pro database and a lottery system will be used to select approximately 1,900 applicants. To ensure geographic fairness in the distribution of funds, the State will select applicants based on

the level of damage caused by Superstorm Sandy. This will be determined by applying the percent major/severe damage level by county, using FEMA data from Table 2-4 - Page 2-11 of the *Action Plan*.

The following chart (Table 1) summarizes the percentages utilized and the number of applicants that will be selected by County.

**Table 1**

County	Total Housing Units with Severe Damage	Percent Damaged	Number of Applicants Selected
Ocean	17,642	44.3%	621
Monmouth	8,029	20.2%	282
Atlantic	5,456	13.7%	192
Hudson	2,801	7.0%	99
Bergen	2,064	5.2%	73
Cape May	1,814	4.6%	64
Middlesex	1,313	3.3%	46
Union	453	1.1%	16
Essex	228	0.6%	8
<b>Total</b>	<b>39,800</b>	<b>100%</b>	<b>1,400</b>

**Lottery Process**

An electronic lottery process will be utilized to randomly number all of the applications submitted on time.

Staff will utilize the numbers identified in Table 1 to identify the appropriate number of applicants per county. For example, the first 621 applicants residing in Ocean County will be identified.

**Please note: if the lottery falls short of meeting any of the above-referenced numbers, additional applicants will be selected by the order number assigned by the lottery.**

Households not selected in the lottery process will be notified that their name was not chosen. There will be no appeal process for the lottery selection.

**2.3 TENANT ELIGIBILITY**

**2.3.1 APPLICANTS**

Low and moderate-income households, those with incomes at or below 80% of the Area Median Income, who are legally in the United States are eligible. This includes noncitizens who are “qualified aliens”. Qualified aliens are defined as:

- Legal Permanent Residents (an alien admitted for lawful permanent residence (LPR));
- Refugees (an alien who is admitted to the United States under Section 207 of the Immigration and Nationality Act (INA));
- Asylees (an alien who is granted asylum under INA Section 208);
- An alien who is paroled into the United States (under INA Section 212(d)(5)) for a period of at least one year;
- An alien whose deportation is being withheld on the basis of prospective persecution (under INA Section 243(h) or Section 241(b)(3));
- An alien granted conditional entry pursuant to INA Section 203(a)(7) as in effect prior to April 1, 1980; and
- Cuban/Haitian entrants (as defined by P.L. 96-422)

A household will qualify as an eligible applicant in the event at least one member of the household has eligible immigration status.

The income limits are established by household size and revised annually by the US Department of Housing and Urban Development (HUD).

**Please note that households approved for the Sandy Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program are ineligible to participate in this TBRA Program.**

#### 2.3.2 CRITERIA:

Eligible households:

- Have income at or below 80% of the Area Median Income; and
- Lived in one of the nine most impacted counties; Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union counties on October 29, 2012; or
- Were directly impacted by Superstorm Sandy and previously received rental housing assistance from FEMA and the rental subsidy or rental unit are no longer available.

#### 2.3.3 UNITS

Tenants receiving Sandy TBRA assistance must use the rental assistance in units that are inspected prior to approval and annually thereafter. The units must:

- Meet Section 8 Housing Quality Standards and, for units built prior to 1978, are in compliance with HUD's Lead Safe Housing Rule (24 CFR Part 35); and
- Are not receiving another form of rent subsidy

#### 2.4 NATIONAL OBJECTIVE:

Low and moderate-income

#### 2.5 PROGRAM ELIGIBILITY:

105(a)(8)/570.201(e) - Public Services to prevent homelessness among low income residents;  
FR 5696-N-01 and HUD Waiver FR 5696-N-10

#### 2.6 LEAD AGENCY:

New Jersey Department of Community Affairs (DCA)

### 3. PROCESS

DCA implements the TBRA Program consistent with but not identical to its Housing Choice Voucher Program and will follow the policies and procedures that exist within the State of New Jersey's Housing Choice Voucher Program's Administrative Plan, Fiscal Year 2015 (Plan) unless addressed below. The Plan is included as Attachment A to these Guidelines. The TBRA Program will also comply with all requirements of the Voluntary Compliance Agreement and Conciliation Agreement dated May 30, 2014 between DCA and Latino Action Network, New Jersey State Conference of the National Association for the Advancement of Colored People and Fair Share Housing Center.

#### 3.1 OUTREACH

Outreach activities will comply with the requirements of the DCA Voluntary Compliance and Conciliation Agreement dated May 30, 2014. Outreach efforts will provide information regarding and access to free housing counseling services in each of the nine impacted counties. Housing counselors will be available to assist applicants in applying for the program.

Outreach materials will be provided in multiple languages to ensure communication with Limited English Proficiency ("LEP") populations. Housing counselors will utilize the "I Speak" cards as well as the Language Line provided by DCA to ensure full access to any LEP applicant.

#### 3.2 APPLICATION PROCESS

##### 3.2.1 INTAKE:

Electronic intake forms will be accepted from January 5, 2015 to midnight on April 6, 2015. All completed intake forms electronically submitted on time will be entered into a database and lottery system will be used to randomly select approximately 1,900 households.

##### 3.2.2 REVIEW OF APPLICATION, CALCULATION OF INCOME:

DCA staff drafts and mails out a letter and application packet in English and Spanish to the applicants selected via the lottery system. Applicants will complete a paper application and mail back the application packet to DCA staff within 14 days. DCA staff reviews the application to determine the household's income eligibility using the Section 8 method as prescribed in DCA's *Housing Choice Voucher Program Administrative Plan (Plan) Appendix A*. At the same time staff orders and reviews a criminal background check on the applicant.

An applicant’s income eligibility will be verified and documented by DCA staff annually. The required documentation for eligibility is included in DCA’s *Administrative Plan*.

If the applicant does not remit a completed application package within the required 14 days, the Program Manger sends a letter notifying the applicant that they did not comply with the requirements of the program and are no longer eligible. The applicant will be given 15 days from the date of the letter to file an appeal. This will provide an applicant the opportunity to submit additional information and/or clarify any defects in the initial application. All appeals received on time will be reviewed by the Administrator of the Housing Assistance Programs and a determination letter will be mailed out within 10 days.

**3.2.3 INELIGIBILITY**

If an applicant completed the application but did not meet the criteria for the program they are deemed ineligible. The Program Manger sends a letter to the applicant stating they're ineligible and providing them with an opportunity to file an informal appeal. The applicant will be given 15 days from the date of the letter to file an appeal. All appeals received on time will be reviewed by the Administrator of the Housing Assistance Programs and a determination letter will be mailed out within 10 days. Any applicant deemed eligible will be forwarded to the TBRA for a briefing.

**3.3 AWARD OF TBRA**

**3.3.1 NOTIFY APPLICANT OF AWARD**

TBRA staff schedules and conducts a briefing with the applicant and enters the household information into Housing Pro; the subsidy is determined; and a voucher is issued.

**3.3.2 CALCULATING THE TENANT SHARE**

TBRA staff calculates the tenant portion of rent using the following:

**Subsidy Calculations:** The calculation of tenant portion of rent is as follows:

Gross Total Annual Income	\$ _____
<b>MINUS</b>	
Deduction of \$480.00 for each minor dependent (under 18 years of age)	\$ _____
Deduction of \$400.00 for a head of household who is 62 and older, or permanently disabled	\$ _____
<b>EQUALS</b>	
Adjusted Annual Income	\$ _____
<b>DIVIDE</b>	
Adjusted Annual Income/12	\$ _____
<b>MULTIPLY</b>	
Adjusted Monthly Income * 30%	\$ _____
<b>MINUS</b>	
Tenant Paid Utility Allowance	\$ _____
<b>EQUALS</b>	
Tenant’s Share of Rent	\$ _____

### 3.3.2 UNIT SELECTION

Sandy TBRA staff notify the applicant that they have 60 days to locate a suitable unit. The applicant locates a unit within 60 days and submits a Request for Tenancy Approval to the TBRA staff. TBRA staff contacts the prospective landlord by phone and explains the TBRA program and the payment structure. Staff also schedules a time to conduct a HUD Housing Quality Standard (HQS) inspection. In the event the applicant has not located a unit within the 60 days, they can request an extension of time by contacting the TBRA.

### 3.3.3 INSPECTION OF UNIT IDENTIFIED BY TENANT

To be deemed eligible for the program units must meet the housing standards identified in the *Plan* – Chapter 8 Inspecting Units for Conformity to the Housing Quality Standards (HQS) including the space requirements and, therefore, meet the regulatory requirement to “provide for the smallest number of bedrooms needed to house a family without overcrowding.” The inspection staff conducts the HQS Inspection and writes up the results for the file.

DCA staff must also complete a Lead Based Paint Inspection to verify compliance with the Lead Safe Housing Rule - 24 CFR Part 35 (for units built before 1978 that house children under the age of six). The Lead-Based Paint inspection will consist of a visual assessment for deteriorated paint (cracking, scaling, peeling, or chipping paint as well as visible dust, debris and paint chips). The owner shall stabilize each deteriorated paint surface in accordance with §35.1330(a) and §35.1330(b) before occupancy of a vacant dwelling unit.

If the Unit fails the HQS or the visual inspection for lead, the landlord is provided with a list of deficiencies found and given 15 days to abate the issue. At the end of 15 days the landlord contacts the inspection staff to set-up another inspection date. If the issues have been fixed and the unit passes the inspection, the tenant is notified that the unit is approved. If the Unit fails - the inspector notifies the landlord and the applicant that the unit is not eligible for the program. The applicant is notified to continue to look for an eligible unit.

### 3.3.4 APPROVAL OF UNIT

If the Unit passes HQS - the applicant is notified that the unit qualifies for the program. Staff informs the applicant that they will be notified when the contract with the landlord is executed.

### 3.3.5 REVIEW OF LEASE

Once the unit passes the HQS inspection, Staff reviews the lease as required in the *Plan*. If Staff approves the lease, staff generates a Housing Assistance Program contract and sends it to the landlord with a letter asking the landlord to sign and return the contract. When staff receives the signed contract, DCA Manager signs the contract and the contract is placed in file. The TBRA staff notifies the applicant that the contract is signed.

### 3.3.6 TENANT MOVES IN

The landlord must disclose information concerning lead-based paint and/or lead-based paint hazards for housing units built before 1978. This information must be provided to the new tenants before they sign the lease. All prospective tenants will receive a copy of the following documents prior to occupying the unit:

- Lead Hazard Information Pamphlet
- Lead Disclosure Notice notifying them of any known lead-based paint or hazards in the unit, prior to occupying the unit.
- The applicant signs the lease, moves in and complies with the lease agreement.

## 3.4 FINANCIAL MANAGEMENT

### 3.4.1 SET UP AWARD INFORMATION IN HAPPY:

The TBRA Staff inputs all of the required information into Housing Pro

### 3.4.2 AWARD DISBURSEMENTS:

On a monthly basis landlords will be paid via the DCA check run. Immediately after the check run, the data from Housing Pro will be transferred to Siroms for approval by Policy and Finance. When the draw is approved in SIROMS - Fiscal staff will draw down the CDBG-DR funds from the US Treasury.

### 3.4.3 CHANGES IN TENANT OCCUPANCY

At the end of the first 12 months of the TBRA voucher, the tenant may be eligible to receive an additional 12 months of assistance. DCA staff notifies the tenant and the landlord 60 days prior to the end of the lease that the Voucher will expire unless both parties agree to an extension within 10 days of the notification and meet the programs criteria. If the tenant requests additional assistance, DCA staff recertifies the household's composition and income and runs a criminal background check as described in Section 3.2.3 above. The amount of tenant rent is calculated using the same methodology as completed at initial lease up. If the landlord agrees to stay in the program DCA inspection staff schedules an HQS inspection as referenced in Section 3.3.3 above. The contract rent is agreed to and the contract is amended as needed. The landlord and tenant revise the existing lease or enter into a new lease agreement for the remaining 12 months.

## 3.5 REPORTING

### 3.5.1 MONTHLY RECONCILIATION

Reports will be generated in Housing Pro monthly

### 3.5.2 QPR

QPR information will be entered into Siroms quarterly

## 3.6 MONITORING

### 3.6.1 ANNUAL REVIEWS

#### (i) INCOME REVIEW



Household income will be recertified annually

### 3.6.2 UNIT REVIEW

#### (i) MOVE TO NEW UNITS

Tenants receiving a second year are eligible to relocate a new unit as long as it is in the one of 9 eligible counties

### 3.6.3 TENANT ISSUES

#### (i) TENANT APPEALS RE: TERMINATION OF LEASE

Termination of Tenancy: The program may terminate assistance for a participant if the household fails to adhere to the "Obligations of the Household" contained in the Sandy Tenant-Based Rental Assistance Voucher. DCA shall make its determination after considering all relevant circumstances, such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

Reasons for termination include:

- Household was evicted for a serious violation(s) of the lease
- Household failed to sign and submit the consent to release information form
- A family member does not establish citizenship or eligible immigration status
- Any member of the family has been evicted from Federally-assisted housing in the last three years
- Any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with the Sandy Tenant-Based Rental Assistance Program or another State administered housing assistance program
- Family currently owes a financial obligation to the DCA in connection with any other housing assistance program administered by the Department
- Family breaches a repayment agreement to pay amounts owed to DCA
- Family has engaged in or threatened abusive or violent behavior toward DCA personnel
- Family is absent from the assisted unit for a period of more than 180 consecutive calendar days
- Any member of the family has been convicted of:
  - a. a drug-related criminal activity, which includes both drug trafficking and illegal use or possession of drugs whether in the unit or elsewhere on or near the premises
  - b. a violent criminal act, other criminal activity that threatens the health, safety, and right to peaceful enjoyment of property by other tenants or the health and safety of the property owner

#### (ii) INFORMAL HEARING

Prior to any adverse action, there is an opportunity for an informal hearing to ensure that due process is afforded to the participant.

### 3.7 RECORD KEEPING

SRD requires quarterly reporting on all CDBG-DR activities so that the State can complete HUD's Quarterly Progress Report (QPR). Housing staff will report on the activity until it is determined to be complete at which time the need for reporting ends.

### 3.8 CLOSE OUT

Housing staff must maintain electronic and hard copies of all documents related to the Program for 5 years after the close out of the grant award. These records are made available to SRD, HUD and the OIG as requested