Wayland TBRA Program Guidelines

The Town of Wayland is offering an Initial Rental Assistance Program to income qualified residents to assist with initial leasing costs which can be burdensome to low-moderate income households. The aim of the Program is to help low-moderate residents overcome housing barriers. Specifically, the Program serves low income households (less than 60% AMI) with security deposit and first month’s rent for affordable apartments. The program will operate on a first come, first served basis as long as funding is available and will be designed to meet all Federal HOME requirements (CFR 92.209).

Program Funding

The Program is funded from annual HOME Program allocation. It is anticipated that 2-3 households could be assisted with Wayland HOME funds from FY22. Each ‘case’ is estimated to be $3,000.

<table>
<thead>
<tr>
<th>Wayland</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOME Funds</td>
<td>$8,280</td>
</tr>
<tr>
<td>Cases</td>
<td>2 - 3</td>
</tr>
</tbody>
</table>

Eligible Costs and Payment of Rental Assistance

Only security deposits will be paid by the program. Security deposits may include any funds required to secure the apartment. This may include both the security deposit and first month’s rent payment. No payments shall exceed the equivalent of two month’s rent. For applicants with voucher, only the portion required to be paid by the tenant may be paid. TBRA payments do not assist with Pet deposits or with Rental Agent/Realtor fees.

Requested funds for the security deposit will be paid directly to the landlord from the Town upon approval of the rental housing by the Town. Tenant is fully responsible for all ongoing, monthly rental payments to the landlord for the term of the lease.

The assistance will be in the form of a grant. There is no repayment due to the Town. The security deposit will be returned directly to the tenant at the end of the lease term, in accordance with the lease provisions.

Program Eligibility:

Households will be determined eligible if they meet the following requirements:

Income Eligibility: In order to be eligible for Program assistance, applicants’ annual income must not exceed the 60% Area Median Income limits established by HUD. Annual income is defined in 24 CFR 5.609. 24 CFR Part 5 (“Part 5”) definition of annual income is the gross amount of income of all adult household members (over 18) that is anticipated to be received during the coming 12-month period. The 60% AMI income limits, effective June 1, 2021, are:
Regional Housing Services Office
Serving Acton, Bedford, Concord, Lexington, Lincoln, Maynard, Sudbury, Wayland, and Weston

Office Address: 37 Knox Trail, Acton, MA 01720
Phone: (978) 287-1092
Website: WWW.RHSOhousing.org
Email: INFO@RHSOhousing.org

<table>
<thead>
<tr>
<th>Household Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>60% AMI – Income Limit</td>
<td>$56,400</td>
<td>$64,440</td>
<td>$72,480</td>
<td>$80,520</td>
<td>$87,000</td>
<td>$93,420</td>
</tr>
</tbody>
</table>

Other eligibility restrictions:

- Eligible applicant must be currently applying for housing in the Town of Wayland or have a current Section 8 Voucher issued by the Wayland Housing Authority.
- Eligible applicant cannot own real estate property
- Eligible applicant has documented income to make the rent payments to the landlord
- Eligible applicant has never been granted assistance in the Wayland TBRA program before
- Eligible applicant has a social security number
- Applicants must not be obligated to a Housing Authority for any past due funds

What is an eligible property?
The program applicant is responsible for locating a qualified unit. The unit must be approved by the Town as eligible and meet the following criteria:

- The apartment must be located in the Town or for Wayland Housing Authority (WHA) Voucher Holders units must meet the WHA Section 8 guidelines.
- The property may be publically or privately owned.
- The property must be the primary residence of all of the applicants for the full term of the rental lease, which must be at least one year.
- The rent must not exceed the rent standard. The payment standard is the greater of the current Fair Market, DHCD/ LIP or MassHousing affordable rents.

<table>
<thead>
<tr>
<th>Effective 4/1/2021</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
<th>4BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIP/DHCD 80% Rents</td>
<td>$2,021</td>
<td>$2,273</td>
<td>$2,526</td>
<td>$2,728</td>
</tr>
<tr>
<td>MassHousing 40B</td>
<td>$1,895</td>
<td>$2,273</td>
<td>$2,627</td>
<td>$2,931</td>
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<tr>
<td>FMR</td>
<td>$1,924</td>
<td>$2,336</td>
<td>$2,980</td>
<td>$3,168</td>
</tr>
<tr>
<td>Wayland TBRA Payment Standard</td>
<td>$2,021</td>
<td>$2,336</td>
<td>$2,980</td>
<td>$3,168</td>
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- The property must meet Housing Quality Standards established by HUD.
- Property must comply with Federal and State lead paint regulations.
- The household size of the apartment must be appropriate to the unit size.
- Landlords and tenants cannot be related.
Program Administration:

Applicant Process

1. Potential applicant complete the application, typically with a referral from the prospective landlord/property owner or the Wayland Housing Authority.
2. Submitted applications are reviewed by the Program Administrator for eligibility in order of submission.
3. Interview is scheduled after the applicant is preliminarily determined to be eligible. The applicant brings the required backup materials, including income verification documents, and a valid Social Security card to the interview.
4. Applicants are then notified regarding their final eligibility determination by mail.
5. Once an applicant receives a determination of eligibility, funds will be set-aside for that applicant for 90-days. After 90-days, the funds are released to the program, and the applicant is able to reapply. The program administrator is able to grant short extensions to the 90-days.
6. If there is no money available, applicants will be placed on a waiting list. Once funding is again available for the Program, it will be offered to the next person on the waiting list in order.

Apartment Rental

7. Once eligible, the applicant then starts the unit approval process.
8. The applicant selected unit must meet the following criteria:
   a. The unit rent must be at or below the Wayland Payment Standard, current limits are:

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   b. The unit must meet Housing Quality Standards and, federal and state lead paint regulations. The Town will arrange with the property manager for an inspection to take place.
9. Once the unit is approved, the Program Administrator will complete the contract with the landlord, which constitutes the final approval by the Town.
10. The tenant signs the lease (minimum one year) and the HOME Lease Addendum with the landlord.
11. Applicants are expected to sign a lease within 90 days of final eligibility. The program administrator is able to grant short extensions to the 90-days.
12. Payment is then requested by Program Administrator and sent to the property owner from the City of Newton on behalf of the Town.
13. The security deposit is then between tenant and landlord/property owner. There is no additional role or any repayment for the Town in any circumstances.
Wayland proposes to implement a local Payment Standard for its HOME TBRA (Tenant Based Rental Assistance) Program in order to give Wayland TBRA participants the most opportunity to locate eligible affordable units.

This Payment Standard is designed to enable the TBRA Program to be used for tenants using Section 8 vouchers, and also for tenants to rent at restricted affordable units at properties in Wayland. Therefore, the Wayland HOME TBRA Payment Standard is proposed as the higher of Fair Market Rent (FMR), DHCD LIP (Local Initiative Program) Rent or MassHousing 40B Rent (for 80%AMI households) for each available bedroom size.

By way of background, each TBRA program must establish a payment standard for units of each available bedroom size, as required by the HOME Program. This standard is intended to represent the rent and utility costs of moderately priced units that meet the Section 8 Housing Quality Standards (HQS) in the jurisdiction. HUD notes that it is important to establish the payment standard carefully. A standard that is set too low in comparison to the market will result in assisted families experiencing difficulty in finding housing. A payment standard that is set too high will result in excessive subsidies and fewer families being assisted.

A HOME TBRA payment standard is set in one of two ways: either use the Section 8 Fair Market Rent (FMR) standard or base the standard on documented local market conditions.

The Wayland FMR amounts are not proposed for the payment standard for the TBRA Program primarily as they do not track to the regulated rent of either DHCD or MassHousing for regulated units, and the regulated units are the target apartments for the TBRA Program. Not only are the rents within the payment standard, but an Eligible Tenant (earning below 60% of the AMI) is able to afford the rent (paying 35% of their income on housing). As the table below shows, the FMR is below the regulated rents for 1BR and 2BR units, and higher for 3BR and 4BR units.

The TBRA Program is not designed to support market rate rental units given the Eligible Tenant income limitations (an Eligible Tenant would spend over 65% of their income on rent at a market rate unit). Therefore, the regulated unit rents are the documented local market conditions that the proposed Wayland HOME TBRA Payment Standard is based on.

The table below supports the establishment of a Wayland HOME TBRA Payment Standard as proposed. The rents shown are 2021 ‘gross rents’, which include rent and utilities.

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