



City of Downey

**COVID-19 HUD Emergency Residential Rental
Assistance Program**

June 2020

City of Downey
Community Development Department
1111 Brookshire Avenue
Downey, CA 90241

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Program Guidelines

Introduction

The City of Downey (“City”), as an entitlement Participating Jurisdiction (PJ) under the Home Investment Partnerships (HOME) Program, receives an annual allocation from the U.S. Department of Housing and Urban Development (HUD) to use in the implementation of any of four (4) eligible programs. The City will be utilizing a portion of their HOME entitlement funds to implement a COVID-19 HUD Emergency Residential Rental Assistance Program (“Program”) that provides emergency short-term rental assistance in response to the COVID-19 pandemic. The Program funds shall be used to facilitate urgent housing assistance to the City and families that are experiencing COVID-19 related economic hardship, such as job loss, furlough, or reduction in hours or pay.

These Program guidelines incorporate the suspension and waiver provisions issued by John Gibbs, Acting Assistant Secretary for Community Planning and Development (CPD) via a Memorandum dated April 10, 2020 for the use of HOME-Assisted Tenant Based Rental Assistance (TBRA) for emergency and short-term assistance. The waivers incorporated into these Program Guidelines were secured by the City through a formal request made to the local HUD Field Office. Documentation of approval of the waivers shall be maintained by the City in its Program Administration file.

The City’s Community Development Department (“Department”) will be responsible for administering and implementing the Program. The Department will utilize these program guidelines for the preparation of the Program, policies and procedures, which will be used in the day-to-day implementation of the Program.

Program Description

The COVID-19 HUD Emergency Residential Rental Assistance Program provides emergency rental and utility assistance grants to income-eligible households (60% AMI) economically impacted during the COVID-19 pandemic through job loss, furlough or reduction in hours or pay, residing in eligible areas of the City.

Program grants for rental payments up to a maximum of 100 percent of the rent payment shall be made on behalf of income-eligible applicants. Assistance payments shall be made based on need and for a period of one month, to maintain housing and/or to reduce rental payment delinquency in the arrears, resulting from the economic downturn during the COVID-19 pandemic.

COVID-19 HUD Emergency Residential Rental Assistance Program assistance shall be determined by obtaining documentation on the average household income documentation for two consecutive months (January through March 2020) and subtracting the family

monthly income at the point of application, but no earlier than, April 1, 2020. The difference between the pre-COVID-19 income and the COVID-19 income shall be the maximum eligible rental assistance available to the applicant. However, at no point shall the amount of assistance exceed 100 percent of the monthly lease/rental payment nor the HUD established Fair Market Rent values, based on unit (bedroom) size.

Applicant Eligibility

To be eligible for assistance, an applicant must:

1. Reside within the incorporated limits of the City of Downey.
2. Have a current annual household income that does not exceed the HUD established HOME 60 percent of area median income (60% AMI) limits for Los Angeles County. Household income eligibility is based on the following two (2) factors:
 - a. The total number of people residing in the housing unit; and
 - b. The total amount of current annual household income (“COVID-19 Income”) for all household members 18 years of age and older, as stated in the Program Application and confirmed by supporting source documentation.
3. Have experienced an economic impact because of the COVID-19 pandemic (job loss furlough or reduction in hours or pay).
4. Have a current residential lease agreement for a housing unit in the City.
5. Submit a signed Program Participation-Payment Acceptance form from bona fide landlord/property management agent or company.
6. Submit a W-9 form completed by the landlord/property management agent or company.
7. Submit evidence of the current rental balance.
8. Certify on the Program Application that the applicant has received no other sources of assistance for the requested rent or utility expenses from any private, local, state, or federal funding source.

Households that are participating in any Publicly Assisted Housing program are ineligible under this program (i.e. Section 8 Housing, etc.).

Use of HOME Investment Partnerships Program (HOME) Funds

HOME funds will be budgeted for emergency rental and/or utility payments on behalf of income-eligible households (60% AMI) economically impacted by the COVID-19 pandemic. Monthly rental assistance will be provided for a period of one month, to maintain housing and/or to reduce rental payment delinquency in the arrears resulting from the economic

downturn during the COVID-19 pandemic. The City may also use HOME funds for program implementation costs such as direct personnel and non-personnel costs.

This activity is an eligible activity under the HOME program regulations at 24 CFR 92.209 that provides rental assistance payments directly to the provider of the housing or the utility. The activity is further regulated pursuant to 24 CFR 92.209(c)(1) whereby applicants shall supply information on family size and income to qualify.

Furthermore, the suspensions and waivers provided by the HUD Memorandum to address the COVID-19 pandemic, allows the City to use HOME funds for COVID-19 HUD Emergency Residential Rental Assistance Program for individuals and families experiencing financial hardship as a result of the pandemic. This includes:

- Providing immediate rental assistance to households seeking housing;
- Assisting households that have housing but face reduced or lost wages; and,
- Assisting existing TBRA families that need additional assistance due to reduced or lost wages.

The statutory suspension and regulatory waivers are in effect through December 31, 2020 for COVID-19 HUD Emergency Residential Rental Assistance Program provided in response to the COVID19 pandemic. Therefore, these policies and procedures only apply to the COVID-19 HUD Emergency Residential Rental Assistance Program through December 31, 2020 at which time this program will come to an end.

A. HUD HOME Program Suspension and Waivers

In accordance with the HUD Memorandum dated April 10, 2020, a number of statutory suspensions and waivers were requested by the City and granted by HUD to enable the City, to use COVID-19 HUD Emergency Residential Rental Assistance Program funds to facilitate urgent housing assistance to the communities and families experiencing hardship. These Program Guidelines incorporate the suspensions and waivers to include the following areas:

- Tenant Selection and Targeted Assistance;
- Rent Reasonableness;
- Eligible Tenant-Based Rental Assistance Costs and Maximum Program Subsidy;
- Term of Rental Assistance Contract;
- Tenant Protection – Lease;
- Housing Quality Standards;
- Annual Inspection of Units Occupied by Recipients of Program; and,
- Income Determination.

Lead Based Paint Inspection

The HOME regulations at 92.355 require that all units assisted with HOME funds must comply with the regulation implementation Title X of the 1992 Housing and Community

Development Act (24 CFR Part 35). The HUD Memorandum does not include any suspensions or waivers to 24 CFR Part 35. As a result, the City must comply with the Lead Paint notification, the Lead Hazard Evaluation, and the Lead Hazard Reduction requirements.

Emergency Housing Needs Assistance Payments

COVID-19 HUD Emergency Residential Rental Assistance Program payments include a monthly rental payment made once on behalf of the eligible household to landlord/property management agent or company in a reasonable amount determined by the City. Any payment made on behalf of the eligible household can only be made through December 31, 2020.

Program assistance will not be paid directly to households, but rather to the bona fide landlord or property management company. The City shall pay these expenses directly or may be paid through a disbursement firm of City's choosing.

Program payments of rent shall be on the current lease agreement and program staff shall verify proper on-time partial or full rental payment has been made. The Program will log all payments made on behalf of eligible households.

Eligibility Determination

Applicant's eligibility for COVID-19 HUD Emergency Residential Rental Assistance Program shall be determined upon submission of a completed Program Application with all required information and documents. Program staff shall review application information and provide an eligibility determination within 14 calendar days. Information and supporting documentation for each applicant shall be recorded in an applicant file to demonstrate eligibility/ineligibility for the program. Documents supplied to the City in connection with Program Applications shall not be returned. Applicants are cautioned not to submit original documents and to only submit copies.

A denied applicant file shall contain all submitted information and documentation, as well as the reason for denial (e.g., over income limits, incomplete information, reside outside City boundaries).

An approved applicant file shall contain all submitted information and documentation necessary to meet all required eligibility criteria and contain completed forms, documentation, and necessary information for all members of an applicant such as the following:

A. Residency in Eligible Area

An applicant household must reside in a rental property located in the City. Verification that the residence is located within the City will be made by staff using City maps and data.

B. Definition of a Household and Documentation of Household Members

As defined at 24 CFR 92.2, “household” Household means one or more persons occupying a housing unit. Therefore, household member information must include, at a minimum, the following:

1. Full names and ages of all household members living in the residence; and
2. Signature of all adult household members age 18 or over, certifying that the information provided related to the annual household income and composition is correct.

C. Annual Income Definition and Documentation

To determine household income for all applicants, the City will use the annual income definition as defined by HUD at 24 CFR 5.609 (commonly referred to as Part 5). All household members are considered members of the household for the purposes of determining income eligibility. The City will use the Part 5 method to calculate the annual income by projecting the prevailing rate of income of the family for the next 12-month period as measured from the date that the City performs the income determination.

The income eligibility requirements are intended to provide a broad overview of the income determination process relative to Program. Detailed income determination procedures are contained within the Program Policies and Procedures.

Income shall be annualized for qualification purposes based on present income received. If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the City believes that past income is the best available indicator of expected future income, the City may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

The HOME regulations at 24 CFR 92.203(a)(2) require the City to determine a Program tenant’s annual income by examining at least 2 months of source documentation evidencing income and projecting anticipated income forward for the next 12 months. As a result of the waiver requested and obtained by the City for the Program, this requirement is waived through December 31, 2020, for rental assistance provided in response to the COVID-19 pandemic. The City must ensure that the tenant’s self-certification indicates how the applicants financial situation has changed (i.e., job loss, furlough, or reduced hours or wages), and includes all income including any unemployment or emergency benefits received by the applicant as a result of the pandemic. Note that for the purposes of the tenant’s self-certification, stimulus payment will not be included as emergency benefit.

A verifiable self-certification shall be collected and evaluated with each Program Application. The self-certification shall be verified for all applicants receiving assistance at the time of application.

D. Annual Income Limits

FY 2019 Income Limits				
Household Size	1 Person	2 People	3 People	4 People
≤60% AMI	\$43,680	\$50,160	\$56,400	\$62,640
Household Size	5 People	6 People	7 People	8+ People
≤60% AMI	\$67,680	\$72,720	\$77,700	\$82,740

E. *Effective June 28, 2019 for the Los Angeles-Long Beach-Glendale, CA MSADocumenting Economic Impact during COVID-19 pandemic period*

Applicant households must submit documentation confirming negative economic impact during the COVID-19 pandemic period. The average monthly income for a two consecutive month period, ranging from January through March of 2020, shall be compared to monthly income at the time of application submittal, but no earlier than April 1, 2020. Acceptable documentation of negative economic impact shall include:

1. A copy of household member(s) notification of job loss/termination from employer during the eligible pandemic period (April 1, 2020 to present); or
2. A copy of household member(s) notification of furlough from employer during the eligible pandemic period (April 1, 2020 to present); or
3. A copy of household member(s) notification or employer signed form confirming reduction in hours and/or pay during the eligible pandemic period (April 1, 2020 to present); or
4. A copy of household member(s) application during the eligible pandemic period (April 1, 2020 to present) and/or approval for Unemployment Insurance benefits; or
5. A signed notarized affidavit including the name of the household member who is self-employed, the name and nature of the business, and narrative confirming economic impact on self-employment during eligible pandemic period (April 1, 2020 to present); or
6. Other appropriate documentation acceptable to the City.

Availability of Application Forms

The City is implementing two separate rental assistance programs that will run parallel to each other and will contain many of the same criteria. The first program will be the COVID-19 Emergency Rental Assistance Program and will be implemented utilizing State of California Low-to-moderate Income Housing Asset funds (previously Community Redevelopment Agency funds). The program will assist households whose income falls between 61 percent and 120 percent of the area median income. The second program is this COVID-19 HUD Emergency Residential Rental Assistance Program utilizing HOME funds. The program will assist households whose income fall at or below 60 percent of the area median income.

The City will publicize the programs using various methods to ensure all residents are informed of the programs. **Interested applicants will be able to call 562-299-6706** where prospective applicants will provide basic information to enable staff to complete a pre-screening form. Based on the responses on the form, prospective applicants who, based on the pre-screening responses, meet the initial requirements to participate in either of the two programs. Those applicants will be sent the formal application form for completion and submittal along with the required supporting documentation.

A. Program Participation-Payment Acceptance Form

A signed Program Participation-Payment Acceptance form from the bona fide landlord/property management agent or company must be submitted as a part of an applicant household's Program application.

B. Current Lease or Rental Agreement

Applicants shall submit a copy of their current residential lease agreement or written rental agreement for the address they reside in and for which rental or utility assistance is requested.

C. W-9 Form

Applicants shall submit a completed W-9 form from the bona fide landlord/property management agent or company. The landlord/property management agent or company will be provided with an IRS 1099 form at the end of the calendar year for tax reporting purposes.

D. Landlord, Property Management Agent or Company

A bona fide landlord/property management agent or company is defined as the legal owner and/or representative of a Single-Family or Multi-Unit residential property leased for the purposes of permanent housing, entitled to collect rent as prescribed in a valid lease agreement.

To process and disburse payments to a bona fide landlord/property management agent or company, signed and completed W-9 and Program Participation-Payment Acceptance forms

are required. The landlord/property management agent or company will abide by Program requirements and will be provided with a clear summary and schedule of payments to be made on behalf of eligible households.

Under no circumstances will the Program staff be a party to any lease for which assistance is provided or a resident or owner/landlord of such housing unit.

Intake and Assessment Process

Funding for the program is limited. Therefore, the pre-screening and applications will be reviewed on a first come first-served basis. Staff shall review pre-screening forms, review applications and respond. If an application is incomplete, the applicant shall be notified by phone and by mail and given seven (7) calendar days after the date of first notification as noted on the date of the letter, to submit any missing paperwork. Applicants that fail to respond within seven (7) calendar days shall be denied assistance.

All applications shall be mailed or hand-delivered to:

City of Downey
City Hall – First Floor
Community Development Department
11111 Brookshire Avenue
Downey, CA 90241

Assistance Amounts

The Department shall determine assistance amounts in its sole discretion based on information provided by the Applicant with the Program Application and other factors such as funding availability and need within the community. A reasonable amount shall be determined by obtaining documentation on the average family income documentation for two consecutive months (January through March 2020) and subtracting the family monthly income at the time of application submittal, but no sooner than April 1, 2020. The difference between the pre-COVID-19 income and the COVID-19 income shall be the maximum eligible rental assistance available to the applicant. However, at no point shall the amount of assistance exceed 100 percent of the monthly lease/rental payment nor the HUD established Fair Market Rent (Table 2) values, based on unit (bedroom) size.

The primary factor to be considered in determining the assistance amount includes the severity of COVID-19 impact to household income and monthly expenses.

In no event shall the amount of assistance to an individual or family exceed HUDs Fair Market Rents (FMR) for the Los Angeles-Long Beach-Glendale, Metropolitan Service Area (MSA) based on unit size. The Current FMRs are provided below:

Table 2: FY 2020 Fair Market Rents – Effective starting 4/1/2020

Unit Size	Efficiency	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
FMR	\$1,279	\$1,517	\$1,956	\$2,614	\$2,857

Appeals

A denied applicant file shall contain all submitted information and documentation, as well as the reason for denial (ex: over income limits, incomplete information, reside outside service area). A denial may be appealed by filing a written notice of appeal and any information the applicant deems relevant to the appeal with the City Manager within 5 days. The City Manager, or his designee, shall review the information and make a determination within 10 days of receipt of the notice of appeal and associated documents.

Duplication of Benefits

All applicants shall certify on the Program Application under penalty of perjury, that they are not able to receive, and have not received, other federal or non-federal benefits or assistance for rent or utility assistance for the same period of assistance as the Program assistance. Applicants shall further certify that they will not pursue other federal or non-federal benefits for the same uses of this grant program for rent and/or utility costs for the period of assistance under the Program. The City shall follow its Duplication of Benefits (DOB) policies and procedures.

False Claims

Applicants shall certify on the Program Application under penalty of perjury that “The information provided on this form is subject to verification by HUD at any time, and Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony and assistance can be terminated for knowingly and willingly making a false or fraudulent statement to a department of the United States Government.”

Applicant Confidentiality

Employees and agents of the City will not disclose any applicant’s personal confidential information as part of the program. All confidential information of applicants will be kept in a locked secured storage facility or password protected electronic files and unavailable to persons outside of the program. At all times, the City will abide by all requirements stated within the Privacy Act of 1974 as amended. If the City receives a request for public records related to the program, only non-confidential information, as verified by the City, will be provided.

Nondiscrimination

The COVID-19 HUD Emergency Residential Rental Assistance Program shall be implemented consistent with the City's commitment to State and Federal equal opportunity laws. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with HOME program funds on the basis of their disability, family status, national origin, race, color, religion, sex, marital status, medical condition, ancestry, source of income, age, sexual orientation, gender identity, gender expression, genetic information, or other arbitrary discrimination.

The City will provide reasonable accommodations and/or modifications or provide language assistance to individuals requesting such assistance to benefit from the services provided by the Program.

Conflict of Interest

In accordance with 24 CFR 92.356, no employee, agent, consultant, officer, or elected official or appointed official of the City of Apple Valley who exercise or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from a HOME assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties shall include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

Program Guidelines Changes or Modifications

Minor changes to these Program Guidelines involving administrative procedures or accommodations to adapt to unique applicant situations or opportunities, or regulatory changes may be performed with the approval of the Community Development Director. Federal regulatory requirements for the CDBG program are not subject to modification or revision, except when HUD issues guidance superseding prior regulatory requirements.