

**COVID-19 SUPPLEMENT TO ADMINISTRATIVE PLAN – HOME
PROGRAM
SANTA MONICA HOUSING**

HUD MEMORANDA: Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID -19 Pandemic; Suspensions; Waivers to Facilitate Use of HOME-Assisted Tenant-Based Rental Assistance (TBRA) for Emergency and Short-term Assistance in Response to COVID-19 Pandemic, dated April 10, 2020

EFFECTIVE DATE OF SUSPENSIONS AND WAIVERS: May 4, 2020

I. Statutory Suspensions and Regulatory Waivers Available Only to Major Disaster Areas

1. 10% Administration and Planning Cap

Ten percent administrative and planning expenses cap is increased up to 25 percent.

This suspension and waiver applies to FY 2019 and FY 2020.

PHA Policy

The PHA will use up to 25% of its HOME allocation for administrative and planning expenses for FY 2019 and FY 2020.

Regulation suspended/waived

*Limitation on the Use of HOME Funds for Administrative Costs
Section 212(c) of NAHA and 24 CFR 92.207*

2. CHDO Set-aside Requirement

Required CHDO set-aside is reduced to zero percent.

This suspension applies to fiscal years 2017, 2018, 2019, and 2020

PHA Policy

The PHA will use its CHDO set aside for either TBRA or program administrative costs.

Regulation suspended/waived

*Set-aside for Community Housing Development Organizations (CHDOs) Section 231 of NAHA
and 24 CFR 92.300(a)(1)*

3. Matching Contribution Requirements

Matching contribution requirement is reduced by 100 percent, no match necessary.

This suspension applies to FY 2020 and FY 2021. This match reduction applies to funds expended by SMHA between October 1, 2019 and September 30, 2021.

Regulation suspended/waived

*Reduction of Matching Contributions
24 CFR 92.218 and 92.222(b)*

4. Tenant Selection and Targeted Assistance (TBRA – emergency/short term assistance)

TBRA requirement to establish new or revise existing tenant selection criteria is eliminated. SMHA must document its criteria for selecting individuals and families.

This suspension and waiver are in effect through December 31, 2020.

PHA Policy

The existing priority policy established in Chapter 20 of the SMHA Administrative Plan will remain unchanged. To increase the utilization of TBRA vouchers available to assist persons experiencing financial hardship, including persons experiencing financial hardship as a result of the COVID-19 pandemic, the SMHA may transfer existing participants from the HOME-TBRA program, who have been receiving rental assistance for 12 months or more, to the SMHA's Housing Choice Voucher (Section 8) program.

Regulation suspended/waived

Section 212(a)(3)(A)(ii) of NAHA, 24 CFR 92.209(c)

II. Regulatory Waivers Available to All Participating Jurisdiction

3. Eligible Tenant-based Rental Assistance Costs and Maximum TBRA Subsidy

Minimum rent and 30 percent contribution toward rent requirements are waived. Payment of 100 percent of rent subsidy, the full cost of monthly utilities, and security deposit payments for new and existing TBRA families are allowed. Applies to tenants affected by a reduction or loss of income from the COVID-19 pandemic. Establishment of utility allowances for different types and sizes of units is waived. Must execute a rental assistance contract with the owner for a term mutually agreed upon by all parties. Utility payments can be made directly to the tenant or utility company based on utility bills submitted for the assisted unit, either by mail or electronically.

This requirement is waived through December 31, 2020.

PHA Policy

The PHA may waive minimum rent and 30 percent contribution toward rent requirements for applicants and existing tenants affected by a reduction or loss of income from the COVID-19 pandemic. The PHA will determine applicant's need after evaluation of applicant's financial situation and circumstances.

Regulation suspended/waived

24 CFR 92.209(a) and (h)

4. Term of Rental Assistance Contract

Rental assistance contract/lease does not have to begin on the first day of the month. Must execute a rental assistance contract with the owner for a term mutually agreed upon by all parties.

This requirement is waived through December 31, 2020.

Regulation suspended/waived

24 CFR 209(e)

5. Tenant Protections – Lease (TBRA – emergency/short term assistance)

Eliminates requirement for existing leases to be revised not to include prohibited lease terms defined in 24 CFR 92.253(b). Must execute a rental assistance contract for a term mutually agreed upon by all parties. Must still comply with all VAWA requirements contained in 24 CFR 92.359 by including a lease addendum.

PHA Policy

When rental assistance funds are used to pay rent for apartments, the lease must be between the program participant and the landlord. Each program participant, on whose behalf rental assistance payments are made, must pay a contribution toward rent consistent with the requirements of the HOME rules. The landlord and participant are required to execute a lease and a Contract Addendum to comply with the HOME rental assistance policies. [24 CFR 92.253] (Refer to Appendix A for HOME Prohibited Lease Terms and Contract Addendum)

This requirement is waived through December 31, 2020.

Regulation suspended/waived
24 CFR 92.209(g)

6. Housing Quality Standards

Initial and annual inspection requirements are waived. The lead-safe housing requirement (24 CFR part 35, subpart M, 24 CFR 92.355), is not waived; housing built before 1978 must undergo visual evaluation and paint repair. Must establish procedures to minimize the risk of housing not meeting HQS and conducting physical inspections within 120 days after end of waiver.

This requirement is waived through December 31, 2020.

PHA Policy

The PHA will waive inspection requirements and rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question instead of conducting an initial inspection. Where safely possible, the PHA will perform video inspections with the owner or a representative of the owner in addition to the owner's certification.

Regulation suspended/waived
24 CFR 92.209(i)

7. Annual Inspection of Units Occupied by Recipients of HOME Tenant-Based Rental Assistance (TBRA)

Annual HQS re-inspections required to occur from the date of this memorandum through December 31, 2020, do not need to be performed. Must physically inspect within 120 days of the end of this waiver period.

PHA Policy

The PHA will waive re-inspections through December 31, 2020. Physical inspections will resume within 120 days of December 31, 2020.

Regulation suspended/waived
24 CFR 92.504(d)(1)(iii); 24 CFR 92.209(i)

8. Income Documentation

Determination of annual income based on at least two months of source documentation evidencing income and projecting anticipated income forward for the next 12 months is waived. Can obtain a written statement of the amount of the family's anticipated annual income and household size, along with a certification that the information is complete and accurate. Must ensure that the tenant's self-certification indicates how the tenant's financial situation has changed, (i.e., job loss or reduced wages), and includes all income, including any unemployment or emergency benefits received by the tenant as a result of the pandemic. However, for purposes of a tenant's self-certification, emergency tax relief (commonly referred to as stimulus payments) should not be included as an emergency benefit. Must include tenant income certifications in each project file.

This requirement is waived through December 31, 2020.

PHA Policy

The PHA will accept self-certification of income if income documentation cannot be provided or does not reflect current income situation. Applicant's certified statement must list all income; current and anticipated income for the next 12 months and details about applicant's financial hardship and reasons for change in income as a result of COVID-19. Applicant must certify that all information is complete and accurate under the penalty of perjury.

Regulation suspended/waived

24 CFR 92.203(a)(2)

9. On-Site Inspections of HOME-assisted Rental Housing

Inspections due on HOME projects (every 3 years) are waived. Must physically inspect within 120 days of the end of this waiver period. The waiver is also applicable to on-site reviews to determine a HOME rental project's compliance with rent and income requirements if the project owner is unable to make documentation available electronically.

The waiver is in effect through December 31, 2020.

PHA Policy

The PHA will waive re-inspections through December 31, 2020. Physical inspections will resume within 120 days of December 31, 2020.

Regulation suspended/waived

24 CFR 92.504(d)(1)(ii)