



City of La Habra

Emergency Rental Assistance – COVID-19

July 2020

1.0 Introduction

In response to the Coronavirus Pandemic (COVID-19) the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program has notified the City of La Habra that it will receive a formula allocation from the first round of CDBG-CV funding to be used specifically for the prevention of, preparation for, and response to COVID-19. This allocation was authorized by the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed on March 27, 2020.

To assist impacted families and individuals respond to the economic hardships created by the COVID-19 pandemic, the City of La Habra has established the Emergency Rental Assistance Program (ERAP).

The application period will be announced at a later date.

2.0 Program Description

The Emergency Rental Assistance Program (ERAP) provides emergency rental assistance grants to income-eligible individuals and families economically impacted during the COVID-19 pandemic through job loss, furlough or reduction in hours or pay, residing in the City of La Habra.

Emergency grants are rental payments made on behalf of an income-eligible applicant, in a reasonable amount determined by the City for a maximum period of 3 consecutive months, to maintain housing and/or to reduce rental delinquency in arrears as a result of the economic downturn during the COVID-19 pandemic.

CDBG-CV funds will be used for emergency rental payments on behalf of income-eligible individuals and families economically impacted by the COVID-19 pandemic. Monthly rental assistance is provided for a period of up to 3 consecutive months through direct payment to a bona fide landlord, property management agent or company for current rent, future rent, and/or to pay down up to two months of rental arrears within the 3 consecutive months to be addressed. The City may also use CDBG-CV funds for program implementation costs such as direct personnel and non-personnel costs.

The City will provide up to \$3,000 in rental assistance per month for a period of no more than three consecutive months (total award not to exceed \$9,000). For applicants with current back rent due, the total amount due must be less than two full months of rent due at the time of grant award.

Program participants will be encouraged to utilize the job training and resource assistance services provided by the La Habra Community Employment Center.

This activity is a public service activity under the CDBG program regulations at 24 CFR 570.201(e) as allowed pursuant to 24 CFR 570.207(b)(4) that provides emergency grant payments made over a period of up to 3 consecutive months directly to the provider of the housing unit. The activity is further regulated pursuant to 24 CFR 570.208(a)(2)(i)(B) whereby applicants shall supply information on family size and income to qualify.

3.0 Program Application

The program is eligible to La Habra residents who meet the following requirements.

- Currently live in the City of La Habra
- Have a current annual family income that does not exceed the HUD Moderate-Income limits for Orange County. Income eligibility is based on:
 - Number of people residing in the housing unit
 - Amount of current annual family income as documented in the program application
- Have experienced an economic impact because of the COVID-19 pandemic
- Have a current, written rental lease agreement in the City of La Habra
- Citizenship or eligible immigration status
- Submit a program application and supporting information
- For applicants with current back rent due, the total amount due must be less than two full months of rent due at the time of grant award

Income Eligibility

As defined at 24 CFR 5.403, “family” includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: 1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or 2) A group of persons residing together, and such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family); an elderly family; a near-elderly family; a disabled family; a displaced family; and the remaining member of a tenant family.

Therefore, family member information must include, at a minimum, the following:

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

“Annual Income” is defined as all amounts, monetary or not, which go to the family head or spouse (even if temporarily absent) or to any other family member, or are anticipated to be received from a source outside the family during the 12-month period following submission of the Program Application.

The HOME Part 5 [definition](#) of annual income shall be used exclusively for this program. No other definition of income shall apply. The most current version of the HOME income definition specifies the following types of income shall be included in the calculation to determine eligibility:

- Wages, salary, commissions, bonuses, or tips from all jobs. Report the amount before deductions for taxes, bonds, dues, or other items.
- Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions. Report all income and withdrawal (except when reimbursement of cash or assets invested in the operation by the family).
- Interest, dividends, net rental income, royalty income, or income from estates and trusts. Report even small amounts credited to an account.
- Social Security, annuities, insurance policies, retirement funds, pensions, disability benefits, death benefits or other types of similar periodic receipts. Report the total amount received.

- Payments in lieu of earnings such as unemployment, disability, worker’s, and severance compensation. Report the total amount received.
- Any public assistance or welfare payments from state or local welfare office. Report the amount received.
- Periodic and determinable allowances such as alimony and child support payments and regular contributions or gifts received from organizations or persons not residing in the dwelling. Report total amount received.
- All regular pay, special pay, and allowance of a member of the Armed Forces except special pay for a family member who is exposed to hostile fire. Report total amount received.

The CARES Act Economic Impact Payment (stimulus check) is not considered an income payment.

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 Emergency Rental Assistance Program is classified under the Limited Clientele National Objective of the CDBG Program at 24 CFR 570.208(a)(2), whereby a verifiable self-certification form is permitted by HUD to document that individuals and families receiving assistance are low- or moderate-income. 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, except that upon recommendation by program staff, the Housing and Economic Development Manager shall have the authority to waive submission of source documentation on a case-by-case basis. However, in no event shall fewer than 51 percent of all assisted applicant files contain only the verifiable self-certification without supporting documentation to verify the amounts of income listed on the Program Application.

Current eligible income limits are listed below:

# of People in Family	1	2	3	4	5	6	7	8
Family Income	\$71,150	\$82,000	\$92,250	\$102,450	\$110,650	\$118,850	\$127,050	\$135,250

**80% Area Median Income for Santa Ana/Anaheim/Irvine MSA (Effective July 1, 2020)*

COVID-19 Economic Impact

Applicants must submit documentation confirming negative economic impact during the COVID-19 pandemic period. Monthly income in January and February 2020 will be compared to monthly income from March 1, 2020 forward. Acceptable documentation of negative economic impact shall include:

Applicants must submit documentation confirming negative economic impact during the COVID-19 pandemic period. Monthly income in January and February of 2020 shall be compared to monthly income from March 1, 2020 forward. Acceptable documentation of negative economic impact shall include:

- A copy of family member(s) notification of job loss/termination from employer during the eligible pandemic period (March 1, 2020 to present); or
- A copy of family member(s) notification of furlough from employer during the eligible pandemic period (March 1, 2020 to present); or
- A copy of family member(s) notification or employer signed form confirming reduction in hours and/or pay during the eligible pandemic period (March 1, 2020 to present). The Exhibit 3 to the Program Guidelines may be used for this purpose; or
- A copy of family member(s) application during the eligible pandemic period (March 1, 2020 to present) and/or approval for Unemployment Insurance benefits;
- A notarized affidavit signed that includes the name of the family member who is self-employed, the name and nature of the business, and narrative confirming economic impact on self-employment during eligible pandemic period (March 1, 2020 to present); or
- Other appropriate documentation acceptable to the City.

4.0 Application Process

Each applicant's eligibility will be determined upon submission of a completed Program Application with all required information and documentation. **Applications will be accepted via mail or hand delivery.** Applications should be delivered in a sealed envelope to:

City of La Habra Community Development Department
 Attn: Emergency Rental Assistance Program
 110 East La Habra Boulevard
 La Habra, CA 90631

At the conclusion of the application period, the City will hold a lottery to randomly order all applications and preliminarily select the individuals and families that are eligible for the ERAP. Once a family is selected, the City will conduct a review of the application to confirm eligibility and request any additional documentation, including, but not limited to:

- W9 for the landlord/property management company
- Most current Federal income tax return
- Current month bank statement(s) for all active bank accounts, including all supporting pages
- Signed agreement from the landlord and household acknowledging this assistance is a one-time program and the City will not be able to provide additional assistance at the conclusion of the program

An applicant that is selected in the lottery is not guaranteed to obtain a grant. If the application is selected, but upon evaluation deemed incomplete or the family is deemed ineligible, the family will be notified of the City's decision via mail.

If the number of eligible applicants do not exceed the total funding available at the close of the application period, the City will continue to operate the program on a first come, first serve basis.

5.0 Duplication of Benefits

All participants must comply with the U.S. Department of Housing and Urban Development’s forthcoming guidance regarding Duplication of Benefits, as required by the CARES Act and HUD guidance. The City of La Habra will modify these guidelines once final HUD guidance has been released. At a minimum, participants are not able to have received other federal or non-federal benefits or assistance for the same uses of this grant program and must certify that they will not pursue other federal or non-federal benefits for the same uses of this grant program in the future.

6.0 Program Marketing

The City of La Habra will conduct robust marketing targeted to households negatively affected by the COVID-19 pandemic as well as hard to access populations – including low- and moderate-income residents, minorities, and other populations identified by the City.

Marketing will be conducted in English and Spanish.

7.0 Recordkeeping and Reporting

In accordance with HUD requirements, socio-economic and race/ethnicity data will be collected as part of the intake form to be used for aggregate reporting.

The City will be responsible for maintaining all documents and records in accordance with the regulations in 24 CFR Part 570.506 and 24 CFR Part 570.507.

8.0 Environmental Review

NEPA regulations require an Environmental Review Record (ERR) to be submitted for projects funded with CDBG monies prior to award or approval of funds. The ERR level of review is based on the type of project proposed.

This review will be completed by the City of La Habra prior to the launch of the program.

9.0 Conflict of Interest

In accordance with 24 CFR 570.611, no member of the governing body and no official, employee or agent of the local government, nor any other person, either for themselves or those with whom they have business or immediate family ties, who exercises policy or decision making responsibilities will financially benefit from this program.

10.0 Applicant Confidentiality

Employees of the City will not disclose program participants personal confidential information as part of the program. All confidential information of participants 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 Attorney, will be provided.

11.0 Equal Opportunity Compliance and Nondiscrimination

In accordance with the City of La Habra's policies and program guidelines, this program will be implemented in ways 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 CDBG program funds on the basis of his or her 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 make all attempts to provide reasonable accommodations and/ or modifications to individuals requesting such assistance to benefit from the services provided by the La Habra Community Employment Center.

12.0 Program Guidelines Changes and Modifications

Minor changes to these Implementation 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 Department. Federal regulatory requirements for the CDBG-CV program are not subject to modification or revision.

DRAFT