

# **COVID-19 SOUTH EL MONTE EMERGENCY RENTAL ASSISTANCE PROGRAM GUIDELINES**

**Program Budget: \$130,000**

**Purpose:** The COVID-19 South El Monte Emergency Rental Assistance Program (Program) provides emergency rental assistance grants to income-eligible households living within South El Monte who have been economically impacted during the COVID19 pandemic through job loss, furlough or reduction in hours or pay.

Due to these conditions, the City of South El Monte proposes to use CDBG funds to develop an Emergency Rental Assistance Program that can issue cash grants, rather than loans, of up to \$1,000 per household, to maintain housing and/or to reduce rental payment delinquency in arrears as a result of the economic downturn during the COVID-19 pandemic.

## **Program Eligibility**

Eligible households must meet all of the following criteria:

1. Applicants must be renters residing in single-family, multi-unit, or mobile homes located in the city of South El Monte.
2. Applicant's annual household income does not exceed the U.S. Department of Housing and Urban Development (HUD) established "Moderate-Income" limits for area median income in Los Angeles County. Household income eligibility is based on the following two (2) factors:
  - a. The total number of persons residing in the household; and
  - b. The total amount of the annual household income.
3. Applicant must be economically impacted during the COVID-19 pandemic period beginning March 27, 2020 to present, as further described herein.
4. Applicant must provide a current residential lease agreement. If this is not available, the landlord's general ledger identifying tenant transactions may be considered to verify tenancy.
5. Applicant's household does not receive any other forms of rental subsidies.
6. Applicant must provide a completed W-9 form from the bona fide landlord/property management agent or company.
7. Applicant must provide a signed Program Participation-Payment Acceptance form from bona fide landlord/property management agent or company.
8. Applicant must provide a confirmed current rental balance.

## **Use Of Community Development Block Grant (CDBG) Funds**

CDBG funds will be used for emergency rental payments on behalf of income-eligible households economically impacted by the COVID-19 pandemic. Rental assistance is provided in the maximum

amount of \$1,000 through direct payment to a bona fide landlord, property management agent or company for current rent and/or to pay down rentals in arrears. CDBG funds are also used for program administration such as direct personnel and non-personnel costs and indirect costs.

### **Rental Assistance**

Rental assistance includes:

- a. Rental Payment made on behalf of eligible household to landlord/property management agent or company of up to \$1,000; or
- b. Rental Arrears Payment made on behalf of eligible household to landlord/property management agent or company of up to \$1,000; or
- c. Monthly payment combination of items a. and b. made on behalf of eligible household to landlord/property management agent or company.

### **Applicant Intake And Assessment Process**

Applicant's household eligibility for emergency rental assistance will be determined upon submission of a completed application with all required information and documents. Program staff will review application information and provide an eligibility determination within 7 days. All applicant household's information and supporting documentation will be recorded accurately in an applicant file to demonstrate eligibility/ineligibility for this program.

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).

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 household such as the following:

### **Residency in Eligible Area**

An applicant household must reside in a rental property located in the eligible areas of South El Monte. An online map locator or another tool can be used to verify residency.

### **Definition of a Household and Income of Household Members**

**Household** is defined as all the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related persons who share living arrangements. Therefore, household member information must include, at a minimum, the following:

- 1) Full names and ages of all family members as well as any unrelated persons living in the residence; and
- 2) Signature of the primary applicant(s), certifying that the information provided related to the annual household income and members is correct.

**Annual income** is defined as the total gross amount of income received from all sources by adult individuals of the household who have earned or received income during a 12-month period prior to the March 27, 2020 authorization of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to address the COVID-19 pandemic. Additional information on household income is provided in TYPES OF HOUSEHOLD INCOME section below.

To determine program eligibility, all sources of annual income for each household member over the age of 18 and the exact amounts earned from each income source must be accurately documented. The primary applicant(s) are also required to certify by signature that the information provided regarding household members is correct.

Eligible households must be below the “Moderate Income” limits for confirmed household size.

***Emergency Rental Assistance Household Income Limits***

<b>Number of Persons</b>	<b>Extremely Low-Income</b>	<b>Low-Income</b>	<b>Moderate-Income</b>
1	\$23,700	\$39,450	\$63,100
2	\$27,050	\$45,050	\$72,100
3	\$30,450	\$50,700	\$81,100
4	\$33,800	\$56,300	\$90,100
5	\$36,550	\$60,850	\$97,350
6	\$39,250	\$65,350	\$104,550
7	\$41,950	\$69,850	\$111,750
8	\$44,650	\$74,350	\$118,950

**Documenting Economic Impact during COVID-19 pandemic period**

Applicant households must submit documentation confirming negative economic impact during the COVID-19 pandemic period. The Applicant Intake Form can be used to indicate acceptable documentation sources including:

1. Workplace closure or reduced hours due to COVID-19, including lay-off, termination, loss of working hours, income reduction resulting from business closure or other employer economic impacts of COVID-19:
  - A copy of household member(s) notification of job loss/termination from employer during the eligible pandemic period (March 27, 2020 to present); or
  - A copy of household member(s) notification of furlough from employer during the eligible pandemic period (March 27, 2020 to present); or

- A copy of household member(s) notification confirming reduction in hours and/or pay during the eligible pandemic period (March 27, 2020 to present); or
  - A copy of household member(s) application during the eligible pandemic period (March 27, 2020 to present) and/or approval for Unemployment Insurance benefits; or
  - A signed self-certification that includes 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 (March 27, 2020 to present).
2. Sickness with COVID-19 or caring for a household or family member who is sick with COVID-19;
  3. Extraordinary out-of-pocket childcare expenses due to school closures, medical expenses, or health care expenditures stemming from COVID-19 infection of the tenant or a member of the tenant's household who is ill with COVID-19;
  4. Compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency;
  5. Reasonable expenditures stemming from government ordered emergency measures;
  6. Any additional factors relevant to the tenant's reduction in income as a result of the COVID-19 emergency.

### **Providing Emergency Rental Assistance**

Emergency rental assistance will be provided for monthly rent payments and/or rental arrearages. Program administrators shall determine the duration and amount of rental assistance provided to eligible households based on application information, monthly rent due, and amount in arrears. This duration and assistance amount will be designed to ensure households are provided with the maximum benefit possible under program limits up to \$1,000 per address/ household.

Emergency rental assistance will not be paid directly to households. Policies and procedures must establish how financial assistance is paid to the bona fide landlord/property management agent or company.

Emergency rental assistance shall be paid by the date specified on the current lease agreement and program staff will verify proper on-time partial or full rental payment has been made. The emergency rental assistance program will log all payments made on behalf of eligible households.

### **Confirming Current Lease Agreement**

An applicant household must submit a copy of its current residential lease agreement for the address they reside in as a part of the emergency rental assistance application.

### **W-9 Form**

A completed W-9 form (enclosed below) from the bona fide landlord/property management agent or company must be submitted as a part of the emergency rental assistance application.

## **Program Participation-Payment Acceptance Form**

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

## **Current Rental Balance**

An applicant household must submit a confirmed copy of its current rental balance from the bona fide landlord/property management agent or company.

## **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, multi-unit, or mobile home residential property leased for the purposes of permanent housing, entitled to collect rent as prescribed in a valid lease agreement.

In order to process and disburse emergency rental assistance payments to a bona fide landlord/property management agent or company, signed and completed W-9 and Program Participation-Payment Acceptance Agreement 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 City staff be a party to any lease for which assistance is provided. Program administration contact numbers and information must be provided in case of questions or concerns.

In addition, 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.

## **Types Of Household Income**

The following is a list of the types of household income most commonly encountered, as well as the kinds of documentation required for verification. This is not intended to provide an exhaustive list of possible income sources, but only those sources most commonly encountered. However, all applicant income sources must be clearly identified and documented. The Agency ***Income Documentation Worksheet*** is provided as reference and may be adopted to assist in calculating annual household income. If it is not possible for the household to provide this information, the ***COVID-19 Emergency Rental Assistance Household Income Self-Certification Form and Individual Annual Income Self-Certification forms*** may be used to document annual income.

- a. **Salary Income:** The documentation of salary income must be obtained from at least **one (1) source**. The documentation may not be older than six (6) months, except for Federal and State income tax returns which may not be older than one (1) year. The documentation must be properly labeled and compiled in the applicant's case file in a readable format. Acceptable sources of income documentation include the following:
  - Federal or State income tax returns or W2 forms; or
  - Copies of the applicant's three (3) most recent paycheck stubs, establishing the applicant's monthly income

- b. **Self-Employment:** Any income from an adult household member who is self employed must be documented and verified from at least **one (1)** of the following sources:
- A copy of IRS Form 1040/1040A (tax return), if filed with the IRS for the last year; or
  - A notarized affidavit signed by the applicant that includes the name of the household member who is self-employed, the name of the business, and the prior year's estimated annual income.
- c. **Social Security/Supplementary Security Income/ Social Security Disability:** Income from Federal or State retirement programs and disability must be verified from at least **one (1) source** that may not be older than six (6) months, unless noted below. Acceptable documentation sources include:
- Copy of the applicant's monthly award check; or
  - Copy of a benefit verification letter (also referred to as an "award letter" or "income letter" and can be requested from local Social Security office by applicant); or
  - Copy of a bank statement showing direct deposits of applicant's award check; or
  - Copy of Social Security Form SSA-2458 which verifies benefits (can be requested from local Social Security office by applicant); or
  - Copy of Social Security form SSA-1099 (tax form mailed each year stating total amount of benefits received from the previous year.) May not be older than one (1) year.
  - Written certification from the awarding agency verifying the applicant's eligibility and the amount of the monthly benefits.
- d. **Welfare/General Relief:** Income from social aid programs [e.g., California Work Opportunity and Responsibility for Kids (CalWORKs), Temporary Assistance for Needy Families (TANF)] must be verified from at least **one (1)** of the following sources:
- Copies of the applicant's most recent bi-monthly award checks.
  - Copy of most recent *Notice of Action* or award letter stating the amount of applicant's benefit; or
  - Written statement from caseworker stating the applicant's benefit amount; or
  - Written certification from the awarding agency verifying the applicant's eligibility and the amount of the monthly benefits.
- e. **Pension Income:** Pension Income must be verified from at least **one (1)** of the following sources:
- copy of the pension award letter; or
  - Copies of the applicant's three (3) most recent payment stubs verifying benefit amount; or
  - A copy of the applicant's bank statement demonstrating that the award check was directly deposited into the applicant's account.
- f. **Personal Interest:** Personal interest from savings accounts or dividends from financial investments must be identified and documented as earned income. Adequate verification may include:
- Federal income tax return; or
  - Copies of bank statements; or
  - **All pages** of investment statements indicating the amount of dividends earned.

- g. **Alimony/Child Support:** Income received from alimony and/or child support payments must be documented and verified from at least **one (1)** of the following sources:
- A copy of applicant's weekly or monthly check; or
  - A copy of a separation or settlement agreement or a divorce decree from a court establishing payments; or
  - A notarized affidavit, signed by the applicant, certifying to the amount of child support received.
- h. **In-Home Supportive Services:** Income earned by a caregiver/caretaker providing in-home supportive services for a different household must be documented through copies of **the three (3)** most recent paycheck stubs, to establish the monthly income.
- i. **Rental Income:** Income received from rental property must be documented as earned income and must be verified from at least two (2) of the following sources:
- A copy of the property rental agreement signed by current tenant stating monthly rent;
  - A copy of recent rent check; and/or
  - A copy of the applicant's income tax return declaring earned rental income. May not be older than one (1) year.
  - Rent receipt book.
- j. **No Income:** Should an adult member of the household (18 years and older) have no income to report, documentation to be submitted may include:
- A self-certification signed by the household member declaring he/she does not earn income that can be contributed to the household.

The calculation of annual income **shall not include** the following:

- A **Income from Children,** which is income from the employment of children (including foster children) under the age of 18 years.
- B **Payments Received for the Care of Foster Children,** including foster adults (usually persons with disabilities, unrelated to the family, who are unable to live alone).
- C **Lump-Sum Payments,** including additions to family assets, such as inheritances, insurance payments (e.g., health and accident insurance, and worker's compensation), capital gains and settlement for personal or property losses [except as provided].
- D **Reimbursement for Medical Costs,** including all payments received by the family that are specifically for, or in reimbursement of, medical expenses for any family member.
- E **Live-in Aide,** including the income of a live-in aide employed because of a medical condition or disability of a family member. A live-in aide is determined to be essential to the care and well-being of the person, not obligated for the support of the person, and would not be living in the unit except to provide the necessary supportive services.
- F **Education Assistance,** including the full amount of educational scholarships paid directly to the student or to the educational institution, and Government funds paid to a veteran for tuition fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of

the student. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income.

G. **Armed Forces (Special Pay)**, specifically special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

H. **Government Programs**, including the following:

Amounts received under training programs funded by HUD and earnings and benefits from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government.)

Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits, because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).

Amounts received by a participant in other publicly-assisted programs, which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and made solely to allow participation in a specific program.

Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the U.S. Housing Act of 1937.

Amounts paid by a State agency to a family with a member who has developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member living at home.

I. **Temporary Income**, considered temporary, nonrecurring or sporadic in nature

(including gifts).

J. **Income of Full-Time Students**, earnings in excess of \$480 for each full-time student 18 years old or older attending school or vocational training (excluding the head of household and spouse).

K. **Property Tax Refunds**, including amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling of the unit.

L. **Adoption Assistance Payments**, in excess of \$480 per adopted child.

### **Record Retention, Program Reporting, And Monitoring**

The City shall maintain applicant files, landlord/property management agent or company information, and all program administration (programmatic and financial) records, written and digital, for no less than a period of 5 years from the end of the program in accordance with Los Angeles County Auditor-Controller Handbook 3.1.

The City shall report, approved and assisted households, and their corresponding assistance information, weekly as directed by the funder.

The City shall periodically report to-date households assisted in a numeric and narrative format as directed by the funder.

Financial and programmatic monitoring of the operating agency will be conducted by LACDA staff.

**Conflict Of Interest**

No COVID-19 Program funding will be provided to any member of the City Council of the City of South El Monte, nor any designee who is in a decision making capacity in connection with the administration of this Program; no member of the City shall have any interest, direct or indirect, in the proceeds from a grant from this program.