

CARES Act PRESENTATION

Housing Alliance of Pennsylvania

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Community Development Block Grant (CDBG-CV)

Appropriations

Congress appropriated \$5 billion through the CARES Act for CDBG supplemental funding (HUD's Office of Community Planning and Development, CPD, is calling this "CDBG-CV").

1. Of that amount, allocations of **\$2 billion** were announced on April 1. This portion of the \$5 billion is to be distributed to states and entitlement jurisdictions using the same statutory formula used to distribute the "regular", annual FY20 CDBG allocations. Congress directed that this money is to go out within 30 days of enactment – which it did.

Ed interprets the CARES Act text that suggests that this extra \$2 billion must be used to address coronavirus-related needs. Therefore advocates will have to work hard to get as much as possible of this new extra resource used to address coronavirus-related housing and homeless needs.

(On the webinar, Kathy Possinger, Director of the Center for Community and Housing Development, Pennsylvania Department of Community Planning and Economic Development, stated that Pennsylvania thinks the Act does require the \$2 billion first allocation to be used to address needs arising from the coronavirus pandemic. We all anxiously await official guidance from CPD.)

2. The CARES Act requires an additional **\$1 billion** to be allocated to states and insular areas to prevent, prepare for, and respond to coronavirus within the state or insular area, including activities within entitlement and nonentitlement communities, using a formula based on public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruptions, and other factors **as determined by HUD**, using the best available data. HUD has 45 days to allocate this \$1 billion (May 11 if counting from the day after the March 27 passage of the Act).
3. The remaining **\$2 billion** of the \$5 billion is to be distributed directly to a state or unit of local government, at **HUD's discretion**, according to a formula based on factors to be **determined by HUD, prioritizing**: risk of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruptions resulting from coronavirus. These allocations can be made on a rolling basis based on available data.

CDBG-CV *continues next page,*

Other Provisions

- These allocations may be used to cover or reimburse costs consistent with the purposes of the CARES Act regardless of the date the costs were incurred. This applies also to FY19 and FY20 allocations.
- The 15% public services cap is eliminated for not only the CARES Act allocations but also for FY19 and FY20 allocations. This lifting of the 15% public services cap only applies for activities to prevent, prepare for, and respond to coronavirus.

Consolidated Plans (ConPlans) and Annual Action Plans

- Grantees may adopt and use expedited procedures to prepare, propose, modify, or amend Action Plans for amounts made available by the CARES Act as well as CDBG funds made available in FY19 and FY20.
- Grantees do not need to hold in-person public hearings, but must provide the public with at least five days' notice and reasonable opportunity to comment. They can have virtual public hearings, as long as the public is given reasonable notice and access. Grantees must still provide timely responses to questions and issues raised by the public, as well give the public as access to all responses.
- The regulation requiring final Plans to be submitted by August 16 2020 is waived. Instead they must be submitted by August 16, 2021.

Housing Opportunities for Persons with AIDS (HOPWA)

Appropriations

Congress appropriated **\$65 million** through the CARES Act for HOPWA supplemental funding.

1. Of that amount, **at least \$50 million** is to be allocated using the same formula used to distribute the “regular”, annual FY20 HOPWA allocations. CPD’s April 1 announcement **allocated \$53.7 million**.
2. The CARES Act also requires that **up to \$10,000,000** is to be provided as additional one-time, non-renewable awards to grantees currently administering existing contracts for permanent supportive housing. The April 1 CPD posting announced the HOPWA competitive awards amounting to \$10 million.

Other HOPWA Provisions

- The awards do not have to be used for permanent supportive housing.
- Housing payment assistance for rent, mortgage, or utilities payments may be provided for a period of up to 24 months.
- Funds may be used to self-isolate, quarantine, or to provide other coronavirus infection control services as recommended by the CDC.
- Funds may be used to provide relocation services, including to provide lodging at hotels, motels, or other locations, for persons living with HIV/AIDS and household members not living with HIV/AIDS.
- Funds may be used to cover or reimburse costs consistent with the purposes of this Act incurred by a grantee or project sponsor regardless of the date on which such costs were incurred.

HOPWA Waivers

CPD distributed an undated [Memorandum](#) on April 1 outlining coronavirus pandemic-related program waivers for the Housing for Persons with AIDS (HOPWA), Continuum of Care (CoC), and Emergency Solutions Grants (ESG) programs.

HOPWA, Housing Quality Standards (HQS) Inspections Waivers

For HOPWA there are waivers regarding Housing Quality Standards (HQS) inspections. Current HOPWA regulations requires units occupied by recipients of HOPWA tenant-based rental assistance (TBRA) to meet HQS.

CPD is waiving the physical inspection requirement for one year for HOPWA TBRA, starting on the date of the Memorandum (which is undated) as long as:

- a. The recipient is able to visually inspect the unit using technology, such as video streaming, to ensure the unit meets HQS before any assistance is provided; and
- b. The recipient or subrecipient has written policies to physically re-inspect the unit within three months after health officials determine special measures to prevent the spread of COVID-19 are no longer necessary.

HOPWA, Use of Fair Market Rents (FMRs)

There are waivers to the requirement that rent payments not exceed the area fair market rent (FMR) for the HOPWA program.

HOPWA “Rent reasonableness standards” still apply.

For the HOPWA TBRA program the waiver may be used for up to one year starting on the date of the Memorandum (the undated Memorandum was posted April 1).

Two Other Key Waivers

- A family member may self-certify that they are income-eligible and have credible information regarding their HIV status.
- HOPWA space and security regulations are waived.
 - Entities operating facilities and shared housing arrangements have the flexibility to use optional, appropriate spaces or quarantine services for those affected by COVID-19.
 - Optional spaces may include hotels and motels in cases when family members would otherwise be occupying the same space and therefore not allowing adequate space and security for themselves and their belongings.

Housing Choice Voucher (HCV) Program (Tenant-Based Rental Assistance)

Congress appropriated \$1.25 billion supplemental funding through the CARES Act for the Housing Choice Voucher (HCV) Program. The purpose of the supplemental funding is to prevent, prepare for, and respond to the coronavirus pandemic, including to provide additional funds for public housing agencies (PHAs) **to maintain normal operations and to take other necessary actions** during the coronavirus pandemic.

1. Of the \$1.25 billion, **\$850,000,000** is for *both* administrative expenses *and* other expenses PHAs might incur with their HCV programs, including Mainstream vouchers.

Those “other expenses” will be new eligible activities to be determined by HUD. They will include activities to support or maintain the health and safety of voucher households, as well as the costs related to keeping and supporting landlords. On a call to PHAs HUD hinted such “other expenses” could include the added costs of staff overtime, hiring temporary staff, deep cleaning expenses, etc. HUD will be issuing notices soon.

A PHA’s FY20 “regular” HCV allocation can be used for these new eligible activities.

2. Of the \$1.25 billion, **\$400,000,000** is for adjustments in the calendar year 2020 HCV renewal funding, including Mainstream vouchers, for PHAs that experience a significant increase in voucher per-unit costs due to extraordinary circumstances, such as decreasing tenant rent payments as their work hours are reduced or they lose employment, or because PHAs would otherwise have to terminate vouchers for households as a result of insufficient funding.

PIH Notices are expected to address how PHAs can use the extra \$800 million and \$400 million.

On a call to PHAs, HUD said that it hopes to get the funds to PHAs by May 1, and that the funds should cover two months of Administrative fees.

Public Housing Operating Fund

Congress appropriated \$685 million supplemental funding through the CARES Act for the Public Housing Operating Fund. The purpose of the supplemental funding is to prevent, prepare for, and respond to the coronavirus pandemic, including to provide additional funds for public housing agencies (PHAs) **to maintain normal operations and to take other necessary actions** during the coronavirus pandemic.

This extra operating fund money is to be combined with a PHA's FY20 operating fund allocation. It will be distributed using the "regular" Operating Fund formula.

The Act also allows PHAs to combine Capital Funds with Operating Funds until December 31 in order to cover other expenses related to preventing, preparing for, and responding to coronavirus, including activities to support or maintain the health and safety of residents.

The Act also allows new eligible activities to support education and child care for residents.

On a call to PHAs, HUD said that it hopes to get the funds to PHAs by May 1, and that the funds should cover two months of public housing operating costs.

HUD will release notices regarding:

- Eligible education and child care activities.
- How PHAs can mix their Capital and Operating Funds.
- Evictions
- Community Service Requirement

HUD has issued FAQs and anticipates ongoing updates to FAQs.

HUD issued a huge set of broad regulatory waivers on April 10.

PIH COVID-19 materials are at: <https://bit.ly/2KjbPik>

Summary of Renter Eviction Moratorium in CARES Act

The “Coronavirus Aid, Relief, and Economic Security Act” (“CARES Act”) created a federal moratorium (ban) on evictions of tenants living in certain types of housing. The federal eviction moratorium took effect on March 27, when it was signed into law and extends for 120 days – until July 25, 2020.

It is important to know that people will still owe all of the missed rent.

Landlords cannot file a new eviction action for non-payment of rent.

Also, landlords cannot charge late fees, penalties, or other charges to a tenant related to nonpayment of rent.

The federal moratorium also prohibits a landlord from evicting a tenant after the moratorium expires until after the landlord gives a tenant 30-day notice of intent to file for eviction. The notice cannot be given until after the moratorium period.

Properties covered by the moratorium include:

- Public housing
- Section 8 Housing Choice Voucher program
- Section 8 project-based housing
- Section 202 housing for the elderly
- Section 811 housing for people with disabilities
- Section 236 multifamily rental housing
- Section 221(d)(3) Below Market Interest Rate (BMIR) housing
- HOME
- Housing Opportunities for Persons with AIDS (HOPWA)
- McKinney-Vento Act homelessness programs
- Section 515 Rural Rental Housing
- Sections 514 and 516 Farm Labor Housing
- Section 533 Housing Preservation Grants
- Section 538 multifamily guaranteed rural rental housing
- Section 542 Rural Housing Vouchers (542)
- Low-Income Housing Tax Credit (LIHTC)

People can check if a property is covered under most of the above programs at <https://preservationdatabase.org>

Eviction Moratorium *continues next page*

Eviction Moratorium *continued*

Also covered are properties with a federally-backed mortgage.

- This means that a landlord's mortgage is backed by:
 - the Federal Housing Administration,
 - Freddie Mac, Fannie Mae, VA, HUD, or USDA.

- A tenant needs to ask the landlord if the property is covered. If a landlord doesn't know, they can find out'

A tenant does not qualify for protection under this federal law if:

- A landlord filed for eviction in court on or before March 26;
- A landlord files for eviction based on a tenant breaking a rule in the rental agreement other than non-payment of rent;
- The property isn't covered by the law.