

**Notification Template: Utilization of Waivers and Suspensions of HOME Program Requirements and HOME-Assisted Tenant-Based Rental Assistance (TBRA) for Emergency and Short-Term Assistance in Response to COVID-19 Pandemic**

**Waiver Process and Recordkeeping Requirements:**

This template allows a Participating Jurisdiction (PJ) to inform HUD of its intention to utilize statutory suspensions and regulatory waivers of HOME provisions identified in HUD’s April 10, 2020 Memoranda: *Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID -19 Pandemic*, and *Suspensions and Waivers to Facilitate Use of HOME-Assisted Tenant-Based Rental Assistance (TBRA) for Emergency and Short-term Assistance in Response to COVID-19 Pandemic*.

The PJ must document implementation of the waivers and suspensions in program and project files.

The completed template should be emailed to the attention of Kimberly Nash, CPD Director, to: [CPD\\_COVID-19WaiverSFO@HUD.gov](mailto:CPD_COVID-19WaiverSFO@HUD.gov)

**Required Information (complete all fields):**

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| Participating Jurisdiction: <u>City of Modesto</u><br>Requestor Name and Title: <u>Jessica Narayan, Community Development Manager</u><br>Declared-disaster area(s) where the waivers will be used: <u>City of Modesto</u><br>Phone Number: <u>(209) 577-5321</u> E-mail: <a href="mailto:jnarayan@modestogov.com">jnarayan@modestogov.com</a><br><br>Member of a HOME Consortium: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
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**PJ Utilization of HOME Waiver Flexibilities:**

The PJ elects to apply the following statutory suspensions and regulatory waivers (check all that apply) to its HOME program in response to the COVID-19 pandemic:

**I. Statutory Suspensions and Regulatory Waivers Available Only to Participating Jurisdictions with Major Disaster Areas as a Result of COVID-19**

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| <b>1.</b>   | <b><u>10% Administration and Planning Cap</u></b><br>Citations: Section 212(c) of NAHA and 24 CFR 92.207 | <input checked="" type="checkbox"/> |
| <p>This suspension is required to provide the PJ adequate funds to pay for the increased cost of administering HOME-related activities to address the effects of COVID-19, including attempt to prevent the spread of the virus. These provisions are suspended to enable the PJ to expend up to 25 percent of its FY 2019 and FY 2020 allocations and program income received for administrative and planning costs.</p> |  |                                     |

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| 2.  | <p><b><u>CHDO Set-aside Requirement</u></b><br/> Citations: Section 231 of NAHA and 24 CFR 92.300(a)(1)</p>   | ☒ |
| <p>The suspension and waiver are required to relieve the PJ of requirements that may impede the obligation and use of funds to expeditiously assist families affected by the COVID-19 pandemic. Suspension of the CHDO set-aside will immediately make additional HOME funds available for activities such as tenant-based rental assistance for which CHDO set-aside funds cannot be used. The CHDO set-aside requirement is reduced to zero percent for the fiscal year 2017, 2018, 2019, and 2020 allocations of State and local PJs.</p>  |   |   |
| 3.  | <p><b><u>Limits and Conditions on CHDO Operating Expense Assistance</u></b><br/> Citations: Section 212(g) and 234(b) of NAHA; 24 CFR 92.208 and 24 CFR 92.300 (e) and (f)</p>  | ☒ |
| <p>PJs are permitted to provide up to 10% of FY 2019 and FY 2020 HOME allocations as operating assistance to CHDOs and to permit a CHDO to receive funding to fill operating budget shortfalls, even if the amount exceeds the higher of \$50,000 or 50% of the CHDO’s annual operating budget. PJs will not be required to include a provision in the written agreement with the CHDO that the CHDO is expected to receive CHDO set-aside funds within 24 months of receiving the additional operating assistance, as required in 24 CFR 92.300(e).</p> <p>A CHDO receiving increased operating assistance must use the assistance to maintain organizational capacity during the COVID-19 pandemic. CHDOs may receive increased operating assistance under these suspensions and waivers through June 30, 2021.</p> |   |   |
| 4.  | <p><b><u>Matching Contribution Requirements</u></b><br/> Citations: 24 CFR 92.218 and 92.222(b)</p>   | ☒ |
| <p>The matching requirement for PJs in areas covered by a major disaster declaration is reduced by 100 percent for FY 2020 and FY 2021. This match reduction applies to funds expended between October 1, 2019 and September 30, 2021.</p>  |   |   |
| 5.  | <p><b><u>Consolidated Plan – HOME Certification, Analysis of Local Market Conditions, and Citizen Participation</u></b><br/> Citations: Section 212(a)(3)(A)(i) of NAHA and 24 CFR 92.209(b) 24 CFR 91.105 (c)(2) and (k), 24 CFR 91.215(b)(1) and (e) and 24 CFR 91.225(d)(1) (Local governments); 24 CFR 91.115(c)(2) and (i), 24 CFR 91.315(b)(1) and (e) and 24 CFR 91.325(d)(1) (States); 24 CFR 91.401, 24 CFR 91.415 and 24 CFR 91.425 (2)(i) (Consortia); and 24 CFR 91.235(e) and 24 CFR 92.61 (Insular Areas)</p> | ☒ |
| <p>This suspension will eliminate: 1) the requirement for PJs to amend their Consolidated Plans to include or revise an analysis of local market conditions before implementing a TBRA program; and 2) the requirement that PJs certify that the use of HOME funds for TBRA is an essential element of the Consolidated Plan and that it has conducted an analysis of local needs. PJs can amend their Annual Action Plan to reflect the use of HOME funds for TBRA.</p>  |   |   |

This suspension and regulatory waiver is applicable to a PJ's current 5-year Consolidated Plan and any Consolidated/Action Plans being amended to reprogram funds to TBRA to address housing needs related to the COVID-19 pandemic.

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| <b>6.</b> | <b><u>Tenant Selection and Targeted Assistance</u></b><br>Citations: Section 212(a)(3)(A)(ii) of NAHA, 24 CFR 92.209(c) and 24 CFR 92.64(a) (Insular Areas) | <input checked="" type="checkbox"/> |
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This suspension will eliminate the need for PJs to develop or revise written tenant selection criteria and allows PJs assist individuals requiring immediate housing assistance as a result of the COVID-19 pandemic. However, a PJ should document its criteria for selecting individuals and families to be assisted by the TBRA program. The statutory suspension and regulatory waiver are in effect from April 10, 2020 through December 31, 2020.

## II. Regulatory Waivers Available to All Participating Jurisdictions

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| <b>1.</b> | <b><u>Citizen Participation Reasonable Notice and Opportunity to Comment</u></b><br>Citations: 24 CFR 91.105(c)(2) and (k) (Local governments), 24 CFR 91.115(c)(2) and (i) (States), and 24 CFR 91.235(e) (Insular areas), and 24 CFR 91.401 (Consortia) | <input checked="" type="checkbox"/> |
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This waiver will permit PJs amending their plans as a result of the COVID-19 pandemic to reduce the comment period to 5 days. This waiver applies to any approved Annual Action Plan being amended to address immediate housing needs related to the COVID-19 pandemic, including but not limited to reprogramming funds to TBRA. This waiver is in effect for any necessary substantial amendments to FY 2020 and earlier consolidated plans or action plans.

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| <b>2.</b> | <b><u>Income Documentation</u></b><br>Citations: 24 CFR 92.203(a)(1) and (2), 24 CFR 92.64(a) (Insular Areas) | <input checked="" type="checkbox"/> |
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This waiver permits the PJ to use self-certification of income to determine eligibility for HOME assistance of persons requiring emergency assistance related to COVID-19. The waiver applies to individuals and families that have lost employment or income either permanently or temporarily due to the COVID-19 pandemic and who are applying for admission to a HOME rental unit or a HOME tenant-based rental assistance program. This waiver also applies to homeless individuals and families who are applying for admission to a HOME rental unit or a HOME tenant-based rental assistance program. The PJ must arrange to conduct on-site rent and income reviews within 90 days after the waiver period, March 31, 2021. This waiver remains in effect through December 31, 2020.

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| <b>3.</b> | <b><u>On-Site Inspections of HOME-assisted Rental Housing</u></b><br>Citations: 24 CFR 92.504(d)(1)(ii) and 24 CFR 92.64(a) (Insular Areas) | <input checked="" type="checkbox"/> |
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This waiver extends the timeframe for PJs to perform on-going periodic inspections and on-site reviews to determine a HOME rental project's compliance with property standards and rent and income requirements. The waiver is applicable to ongoing periodic inspections and does not waive the requirement to perform initial inspections of rental properties upon

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| <p>completion of construction or rehabilitation. Within 120 days of the end of this waiver period, by April 30, 2021, PJs must physically inspect units that would have been subject to on-going inspections during the 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.</p>  |   |                                     |
| <b>4.</b>  | <p><b><u>Annual Inspection of Units Occupied by Recipients of HOME TBRA</u></b><br/> Citations: 24 CFR 92.504(d)(1)(iii); 24 CFR 92.209(i) requirement for annual re-inspections, and 24 CFR 92.64(a) (Insular Areas)</p> | <input checked="" type="checkbox"/> |
| <p>This waiver is applicable to annual HQS inspections and annual HQS re-inspections required to occur from April 10, 2020 through December 31, 2020. PJs shall make reasonable efforts to address any tenant-reported health and safety issues during the waiver period. PJs must inspect units that would have been subject to HQS inspections during the waiver period by April 30, 2021.</p>   |   |                                     |
| <b>5.</b>  | <p><b><u>Four-Year Project Completion Requirement</u></b><br/> Citations: 24 CFR 92.205(e)(2) and 24 CFR 92.64(a) (Insular Areas)</p>   | <input checked="" type="checkbox"/> |
| <p>This waiver provides additional time to permit completion of HOME-assisted projects that may be delayed as a result of the impact of COVID-19 on project timelines. This waiver applies to projects for which the 4-year project completion deadline will occur on or after April 10, 2020. The completion deadlines for covered projects are extended to December 31, 2020.</p>  |   |                                     |
| <b>6.</b>  | <p><b><u>Nine-Month Deadline for Sale of Homebuyer</u></b><br/> Citations: 24 CFR 92.254(a)(3) and 24 CFR 92.64(a) (Insular Areas)</p>  | <input checked="" type="checkbox"/> |
| <p>This waiver applies to projects for which the 9-month homebuyer sale deadline occurs on or after April 10, 2020 and extends the deadline for those projects to December 31, 2020. This waiver does not apply to the remaining requirements of the regulation, including that a homebuyer must receive housing counseling, and that a PJ must determine eligibility of a family by including the income of all persons living in the housing.</p>  |   |                                     |
| <b>7.</b>  | <p><b><u>Use of HOME Funds for Operating Reserves for Troubled HOME Projects</u></b><br/> Citations: 24 CFR 92.210(a) and (b) and 24 CFR 92.64(a) (Insular Areas)</p>   | <input checked="" type="checkbox"/> |
| <p>The waiver applies to HOME-assisted rental projects currently within the period of affordability established in the HOME written agreement. PJs will not be required to obtain HUD approval or execute a memorandum of agreement with HUD before providing this assistance. PJs may only exercise this waiver authority when the project owner agrees to several requirements and other actions are taken by the PJ, as listed in the April 10, 2020 Memorandum Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID -19 Pandemic. By June 30, 2021 the PJ must examine the project financial records. Refer to the Memorandum for guidance on complying with this regulatory waiver. The waiver is effective through December 31, 2020.</p> |   |                                     |

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| 8.  | <p><b><u>Timeframe for a Participating Jurisdiction’s Response to Findings of Noncompliance</u></b><br/> Citations: 24 CFR 92.551(b)(1) and 24 CFR 92.64(a) (Insular Areas)</p> | ☒ |
| <p>The waiver applies to all findings of HOME regulatory noncompliance from April 10, 2020 through December 31, 2020. (HUD may also, upon request by the PJ, extend time periods imposed prior to April 10, 2020.)</p>  |   |   |
| 9.  | <p><b><u>Rent Reasonableness</u></b><br/> Citations: 24 CFR 92.209(f) and 24 CFR 92.64(a) (Insular Areas)</p>   | ☒ |
| <p>Through this waiver, PJs can provide immediate rental assistance to individuals and families seeking housing and assist individuals and families that have housing but are experiencing reduced or lost wages, without requiring an assessment of rents charged for comparable unassisted rental units. This waiver is applicable to TBRA provided to individuals and tenant households experiencing financial hardship because of a reduction or loss of income. This waiver includes renter households with rents that exceed a PJ’s established rent reasonableness standard.</p> <p>PJs using this waiver authority must execute a rental assistance contract with the owner or tenant. This requirement is waived from April 10, 2020 through December 31, 2020.</p>  |   |   |
| 10.   | <p><b><u>Eligible TBRA Costs and Maximum TBRA Subsidy</u></b><br/> Citations: 24 CFR 92.209(a) and (h) and 24 CFR 92.64(a) (Insular Areas)</p>                                  | ☒ |
| <p>This waiver allows PJs pay the full cost of monthly utilities in addition to rental assistance and security deposit payments for new and existing TBRA families affected by the COVID-19 pandemic. PJs may provide up to 100 percent subsidy for rent, security deposit payments, and utility bills paid by tenants affected by a reduction or loss of income from the COVID-19 pandemic. The waiver also eliminates the need for the PJ to establish utility allowances for different types and sizes of units for its TBRA program, which eliminates a significant administrative burden.</p> <p>PJs using this waiver authority must execute a rental assistance contract with the owner or tenant for a term mutually agreed upon by all parties, but not to exceed the December 31, 2020, waiver period. The PJ may make utility payments 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.</p> |   |   |
| 11.   | <p><b><u>Term of Rental Assistance Contract</u></b><br/> Citations: 24 CFR 209(e) and 24 CFR 92.64(a) (Insular Areas)</p>   | ☒ |
| <p>This waiver eliminates the requirement that the rental assistance contract must begin on the first day of the term of lease. The PJ’s requirement to execute a rental assistance contract with the owner or tenant is not waived. PJs using this waiver authority must execute a rental assistance contract with the owner or tenant for a term mutually agreed upon by all parties, but not to exceed the December 31, 2020, waiver period. This requirement is waived through December 31, 2020.</p>   |   |   |

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| 12.  | <b><u>Tenant Protections – Lease</u></b><br>Citations: 24 CFR 92.209(g) and 24 CFR 92.64(a) (Insular Areas)                      | ☒ |
| <p>This waiver permits PJs to assist individuals currently housed but facing financial hardship, where tenants are already housed and an executed lease is already in place. PJs using this waiver authority are required to execute a rental assistance contract with the tenant for a term mutually agreed upon by all parties, but not to exceed the waiver period. PJs must still comply with all VAWA requirements contained in 24 CFR 92.359 by including, at a minimum, a lease addendum that addresses all VAWA requirements. This requirement is waived through December 31, 2020.</p>  |  |   |
| 13.  | <b><u>Housing Quality Standards</u></b><br>Citations: 24 CFR 92.209(i) and 24 CFR 92.64(a) (Insular Areas)                       | ☒ |
| <p>This waiver will permit the PJ to rapidly house or assist individuals experiencing financial hardship due to the COVID-19 pandemic without requiring an initial HQS inspection. The lead-safe housing requirements of 24 CFR part 35, subpart M, made applicable to units leased by recipients of HOME TBRA by the HOME regulation at 24 CFR 92.355, cannot be waived and units built before 1978 must undergo visual evaluation and paint repair in accordance with 24 CFR Part 35, subpart M.</p> <p>PJs using this waiver authority must establish procedures to minimize the risk that tenants are in housing that does not meet HQS, as well as procedures for conducting physical inspections by April 30, 2021 following the end of the December 31, 2020, waiver period.</p>                                      |  |   |
| 14.  | <b><u>Income Determinations (TBRA-Specific Waiver)</u></b><br>Citations: 24 CFR 92.203(a)(2) and 24 CFR 92.64(a) (Insular Areas) | ☒ |
| <p>This waiver will permit PJs to 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. This waiver is applicable to TBRA provided in response to the COVID-19 pandemic to individuals or families experiencing financial hardship.</p> <p>The PJ 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, but excluding stimulus payments. The PJ must include tenant income certifications in each project file. This requirement is waived through December 31, 2020.</p> |  |   |