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## **RESIDENTIAL MORTGAGE AND RENTAL ASSISTANCE PROGRAM GUIDELINES**

The City of Warren will distribute up to \$600,000 in Community Development Block Grant CARES Act (CDBG-CV) funding on behalf of residents that have been impacted by COVID-19. CDBG-CV funds must be used specifically to prevent, prepare for, and respond to the COVID-19 pandemic. The City may pay up to six consecutive months of past due rent or mortgage payments for eligible households.

### **DEFINITIONS**

**Household Income** – Household income is calculated by combining the annual gross income (before deductions) of everyone 18 and older living in the household regardless of relationship. All sources of income (including unemployment, social security and child support) must be counted for all household members over 18 years old. The HUD 24 CFR Part 5 Method is used to determine income eligibility.

**Household Size** – Number of people who live in the house regardless of the relationship to the owner/tenant.

**Housing Payments** – Monthly rent or mortgage payments. Late fees and court costs are also eligible. Mortgage payments include principal and interest. Taxes and insurance are only eligible if escrowed and part of the regular monthly payment.

**Income Eligibility** – To be eligible to receive funding, the Household Income of the household adjusted by Household Size must be less than 80% area median income (AMI) as described in the table below. Please note: Applicant's income must be enough to make the next payment due.

**Vendor** – Landlord or mortgage company receiving the funds.

**W-9** – An IRS Form for Request for Taxpayer Identification Number and Certification. This form must be completed by the vendor in order for the City to issue a check.

### **ELIGIBILITY**

- Resident of Warren
- Hardship due to the COVID-19 Pandemic
- Evidence of **past due** mortgage or rent for primary residence
- Ability to sustain housing with current income
- Rental properties must be registered with the City of Warren
- Annual gross household income is at or below 80% AMI adjusted by household size as indicated in the table below:

Household Size	Income Limit
1	\$44,800
2	\$51,200
3	\$57,600
4	\$64,000
5	\$69,150
6	\$74,250
7	\$79,400
8	\$84,500

- The resident must be living in the unit at the time the Program assistance is provided. Persons temporarily away from the unit (e.g., hospitalization) are eligible for assistance.

### Required Tenant/ Homeowner Documents

Type of Documents	Accepted Documents
<b>Proof of Identification</b> (Required for each occupant over 18 years of age)	<ul style="list-style-type: none"> <li>• Driver's license-with the correct address listed on the application.</li> <li>• Passport</li> <li>• State ID</li> <li>• Permanent Resident Card</li> <li>• Other government issued ID card</li> </ul>
<b>Proof of Residence</b>	<ul style="list-style-type: none"> <li>• Mortgage Statement</li> <li>• Lease/Rental Agreement</li> </ul>
<b>Proof of COVID Hardship</b>	<ul style="list-style-type: none"> <li>• Unemployment Monetary Determination Letter (any time after March 13, 2020)</li> <li>• Print out from Unemployment with payments and person's name</li> <li>• Signed statement providing explanation</li> </ul>
<b>Proof of Housing Instability</b>	<ul style="list-style-type: none"> <li>• Past- due rent notice</li> <li>• Notice to Quit</li> <li>• Summons for eviction case (or other court notice)</li> <li>• Past-due Mortgage Statement</li> </ul>

## Required Landlord/Mortgage Co. Documents

- Completed W-9 from vendor
- Ledger showing all payments made and due in 2021

## INTENDED USE OF CDBG-CV FUNDS

In every situation, funding must be tied to the prevention, preparedness or in response to the recent Coronavirus Pandemic. **Grant funds are intended to be used to prevent eviction or foreclosure rather than delay it.** Arrearages due to COVID may be included based on need and proof that the household has the financial means to pay subsequent housing payments.

Assistance payments must be paid to the vendor directly. The city will provide housing payments based on the number of bedrooms listed below, not to exceed six (6) consecutive months or a total of \$6,000 per household.

### Maximum Housing Payment

Efficiency/Studio	\$733 per month
One Bedroom	\$848 per month
Two Bedroom	\$1,084 per month
Three Bedroom	\$1,371 per month
Four Bedroom	\$1,473 per month

The maximum per month housing assistance for units with more than four bedrooms will be calculated by adding 15 percent to the four-bedroom max for each extra bedroom. Exceptions to this calculation may be made on a case-by-case basis.

Monthly assistance will be capped at the maximums established above. Residents are not disqualified from the program if their monthly housing payment exceeds this amount, but program assistance is capped at these amounts. **If the assistance amount does not bring the resident current, the resident must provide proof of other means to fill the gap.**

Rent payment for a mobile home that is part of the city's permanent housing stock, or rent for the lot where an eligible household's mobile home is located, is an eligible housing cost for CDBG-CV emergency rental assistance. For lot rent the Efficiency/Studio housing payment standard will be utilized.

## INEGIBLE COSTS

Ineligible costs include, but are not limited to:

- Payment on a property that is not your principal residence
- Rent payments to an unregistered rental property
- Duplicative payment (payment for same period paid by another source)

## **IDENTIFY COVID-19 HARDSHIP**

The applicant must identify the need for assistance and how it ties to COVID-19 in at least one of the following ways:

- All Job Loss, furlough, or lay-off due to COVID-19
- Reduction in work hours due to COVID-19
- An individual in the household has qualified for unemployment benefits due directly or indirectly to COVID-19
- Reduction or stop in work hours due to being sickened by COVID-19
- Inability to work outside of the home due to a household member being diagnosed with COVID-19
- Increase in monthly expenses due to coronavirus pandemic stay at home order
- COVID-19 related expenses such as hospitalization, funeral expenses, PPE, etc.
- Other COVID-19 related circumstance that must be explained by the applicant.

## **DUPLICATION OF BENEFITS**

Funds may only be used to pay for unmet needs. A duplication of benefits analysis will be completed if necessary before assistance is provided through this program. A duplication of benefits occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for the purpose is more than the total need for assistance. Receiving other assistance does not automatically disqualify the resident from this program. However, the amount of assistance provided by the City of Warren will be for the resident's unmet need.

In order to prevent the duplication of benefits, residents must identify all sources of funds that they received, or will receive as a result of the coronavirus pandemic. Sources of funds include but are not limited to; federal, state, or local loan/grant programs, Treasury, CERA, St. Vincent DePaul, Macomb Community Action Center, OLHSA, or non-profit donations. You will be required to self-certify all other COVID-19 related benefits received prior to receiving the grant funds.

If the resident applies for assistance or receives an award after the date of this application, it must immediately disclose to the City of Warren such application and/or award. The resident will be required to certify that they will repay the program for any duplicative benefits subsequently received.

## **APPLICATION REVIEW**

- Applications are processed on a first come, first served basis.
- The applications are reviewed for completeness and eligibility.
- Incomplete or ineligible applications will be notified via email. Applicants have five (5) calendar days to respond to the notice and provide the required documentation or the case will be cancelled.
- Vendor will be contacted to complete verification of rent.
- Successful applicants will be notified via email. The vendor will be provided a commitment letter asking them not to evict the occupants for a minimum of 30 days.

- The City will proceed with paying the vendor directly on the next available List of Bills.

## **DISTRIBUTION OF FUNDS**

Applicant must provide the required documentation **within the prescribed timeframe**. If the applicant does not meet the established deadlines, the award will be cancelled and the funds will be reallocated to another eligible household. Once the application is considered complete, the city will remit payment for the requested delinquent costs directly to the vendor.

## **APPEAL PROCESS**

The Community Development Committee will review all assistance disbursements. The Committee consists of representatives assigned by the Mayor from various City Departments as well as a City Council ex-officio member. All applicants will be notified in writing if their application was approved or denied. Within 10 days of receipt of denial, a resident may submit an appeal. To do so, the applicant must submit in writing via email at [covidrelief@cityofwarren.org](mailto:covidrelief@cityofwarren.org) the reason why the application should be reconsidered. The Committee will review the request within 30 days. The applicant will be notified by email of the results.

## **REASONABLE ACCOMMODATIONS**

The City will make every reasonable effort to encourage the participation of non-English speaking persons, limited English proficiency persons and persons with disabilities. Any individual requiring a reasonable accommodation in order to participate in the program should contact Community Development at 586-353-0582 or by email at [covidrelief@cityofwarren.org](mailto:covidrelief@cityofwarren.org) as soon as possible to make arrangements.

## **REPORTING REQUIREMENTS**

HUD requires certain statistical information to be collected and reported. Examples of this information are race, ethnicity, and female head of household. This information will be made part of the application and will only be used for statistical reporting purposes.