

MEMORADUM FOR:	All Community Planning and Development Field Office Directors, Deputy Directors and Program Managers
FROM: Digitally signed by JOHN GIBBS Date: 20200331 17:43:00-04/00'	John Gibbs, Assistant Secretary, Acting, D
SUBJECT:	Availability of Waivers of Community Planning and Development (CPD) Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19

PURPOSE

This memorandum explains the availability of waivers of certain regulatory requirements associated with several CPD grant programs to prevent the spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by COVID-19. This memorandum covers waivers of consolidated plan requirements for all CPD formula programs and program-specific waivers for the following CPD programs:

- Housing Opportunities for Persons with AIDS (HOPWA);
- Emergency Solutions Grant (ESG); and
- Continuum of Care (CoC).

This memorandum also announces a simplified notification process for recipients of these programs to use this waiver flexibility to expedite the delivery of assistance. CPD Field Office Directors, Deputy Directors, and Program Managers are instructed to inform CPD recipients operating within their jurisdictions of the content of this memorandum.

NOTIFICATION PROCESS

Recipients may use the waivers described in this memorandum to assist affected CPD program beneficiaries and CPD program eligible households to prevent the spread of COVID-19 and to mitigate against the economic impact caused by COVID-19 for eligible households. To use the waiver flexibility provided in this memorandum, the recipient must provide notification in writing, either through mail or e-mail, to the CPD Director of the HUD Field Office serving its jurisdiction no less than two days before the recipient anticipates using the waiver flexibility. Further directions on notifying HUD can be found in Attachment #1.

WAIVER AUTHORITY

In December 2019, a new coronavirus known as SARS-CoV-2 was first detected in Wuhan, Hubei Province, People's Republic of China, causing outbreaks of the coronavirus disease COVID-

19 that has now spread globally. The first case was reported in the United States in January 2020. In March 2020, the World Health Organization declared the coronavirus outbreak a pandemic and President Trump declared the outbreak a national emergency. During this time, the majority of states have declared states of emergency with most shutting down large gathering places and limiting the movement of their residents. As a consequence, many CPD recipients are facing challenges in ensuring appropriate shelter options are available for program participants who need to be separated from others because they are exhibiting symptoms, training staff on how to safely work with program participants and prevent spreading the virus, obtaining supplies to prevent the spread of the virus, and maintaining necessary staffing levels during the outbreak. Further, many program participants are suffering economic consequences from the mass shutdown of businesses and lack of availability of traditional mainstream benefits. A number of recipients have inquired about the availability of waivers of various CPD program requirements to facilitate assistance to program participants and prevent the spread of the virus.

In accordance with 24 CFR 5.110, HUD may, upon a determination of good cause and subject to statutory limitations, waive regulatory provisions. Additional regulatory waiver authority is provided in 24 CFR 91.600. These regulatory provisions provide HUD the authority to make waiver determinations for the ESG, CoC, and HOPWA Programs and consolidated planning requirements for all CPD formula programs.

WAIVER AVAILABILITY

To provide additional flexibility to communities to prevent the spread of COVID-19 and better assist individuals and families, including those experiencing homelessness infected with the virus or economically impacted by the virus, I hereby find good cause to provide the regulatory waivers below. To use each waiver, each recipient must follow the notification process described above and update its program records to include written documentation of the specific conditions that justify the recipient's use of the waiver, consistent with the justifications and applicability provisions below. Provisions that are not specifically waived remain in full effect.

CONTINUUM OF CARE PROGRAM

1. Fair Market Rent for Individual Units and Leasing Costs

Requirement:	Rent payments for individual units with leasing dollars may not exceed Fair Market Rent (FMR).
Citation:	24 CFR 578.49(b)(2)
Explanation:	The CoC Program regulation at 24 CFR 578.49(b)(2) prohibits a recipient from using grant funds for leasing to pay above FMR when leasing individual units, even if the rent is reasonable when compared to other similar, unassisted units.
Justification:	Waiving the limit on using grant leasing funds to pay above FMR for individual units above FMR, but not greater than the reasonable rent will

assist recipients in locating additional units to house individuals and families experiencing homelessness and reduce the spread and harm of COVID-19.

Applicability: The FMR restriction is waived for any lease executed by a recipient or subrecipient to provide transitional or permanent supportive housing during the 6-month period beginning on the date of this memorandum. The affected recipient or subrecipient must still ensure that rent paid for individual units that are leased with CoC Program leasing dollars meet the rent reasonableness standard in 24 CFR 578.49(b)(2).

2. Disability Documentation for Permanent Supportive Housing (PSH)

- **Requirement:** A recipient providing PSH must serve individual and families where one member of the household has a qualifying disability (for dedicated projects and DedicatedPlus projects that individual must be the head of household). Further, the recipient must document a qualifying disability of one of the household members. When documentation of disability is the intake worker's observation, the regulation requires the recipient to obtain additional confirming evidence within 45 days.
- **Citation:** 24 CFR 578.103(a) and 24 CFR 578.103(a)(4)(i)(B)
- **Explanation:** 24 CFR 578.103(a) requires recipients to maintain records providing evidence they met program requirements and 24 CFR 578.103(a)(4)(i)(B) establishes the requirements for documenting disability for individuals and families that meet the "chronically homeless" definition in 24 CFR 578.3. Acceptable evidence of disability includes intake-staff recorded observations of disability that, no later than 45 days from the application for assistance, is confirmed and accompanied by evidence in paragraphs 24 CFR 578.103(a)(4)(i)(B)(1), (2), (3), or (5). HUD is waiving the requirement to obtain additional evidence.
- **Justification:** Waiving 24 CFR 578.103(a)(4)(i)(B)(4) as specified below will allow recipients to house people by relying on intake staff-recorded observation of disability while providing recipients' intake staff with additional time to confirm the disability. This will help households with observed disabilities to be housed quickly and obtain the necessary documentation once healthcare workers are no longer inundated by COVID-19 responses.
- Applicability: The requirement that intake staff-recorded observation of disability be confirmed and accompanied by other evidence no later than 45 days from the application for assistance documentation requirement is waived for any program participants admitted into PSH funded by the CoC Program for the 6-month period beginning on the date of this memorandum.

Note: For the purposes of individuals and families housed in PSH from the date of

this memorandum until public health officials determine no additional special measures are necessary to prevent the spread of COVID-19, a written certification by the individual seeking assistance that they have a qualifying disability is considered acceptable documentation approved by HUD under 24 CFR 578.103(a)(4)(i)(B)(5).

3. Limit on Eligible Housing Search and Counseling Services

- **Requirement:** With respect to program participant's debts, 24 CFR 578.53(ed)(8)(ii)(B) only allows the costs of credit counseling, accessing a free personal credit report, and resolving personal credit issues. 24 CFR 578.53(d) limits the use of CoC Program funds for providing services to only those costs listed in the interim rule. Citation: 24 CFR 578.53(e)(8)(ii)(B) and 578.53(d) **Explanation:** 24 CFR 578.53(e)(8) allows recipients and subrecipients to use CoC funds to pay for housing search and counseling services to help eligible program participants locate, obtain, and retain suitable housing. For program participants whose debt problems make it difficult to obtain housing, 24 CFR 578.53(e)(8)(ii)(B) makes eligible the costs of credit counseling, accessing a free personal credit report, and resolving personal credit issues. However, payment of rental or utility arrears is not included as an eligible cost. 24 CFR 578.53(d) limits eligible supportive service costs to those explicitly listed in 24 CFR 578.53(e), which is a more limited list than is eligible under the McKinney-Vento Act. Justification: Waiving the limitation of housing search and counseling eligible activities to allow recipients and subrecipients to pay for up to 6 months of rental arrears and 6 months of utility arrears will help recipients and subrecipients remove barriers to obtaining housing quickly and help reduce the spread and harm of COVID-19. **Applicability:** The limitation on eligible housing search and counseling activities is waived so that CoC Program funds may be used for up to 6 months of a program participant's utility arrears and up to 6 months of program participant's rent arrears, when those arrears make it difficult to obtain housing. This waiver is in effect one-year beginning on the date of this memorandum. 4. Permanent Housing-Rapid Re-housing Monthly Case Management
 - **Requirement:** Recipients must require program participants of permanent housing rapid re-housing projects to meet with a case manager at least monthly.

Citation: 24 CFR 578.37(a)(1)(ii)(F)

- Explanation: The CoC Program interim rule at 24 CFR 578.37(a)(1)(ii)(F) requires program participants to meet with a case manager not less than once per month to assist them in ensuring long-term housing stability. The project is exempt from this requirement already if the Violence Against Women Act of 1994 (42 U.S.C. 13925 *et seq.*) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et seq.*) prohibits the recipient carrying out the project from making its housing conditional on the participant's acceptance of services.
 Justification: Recipients are reporting limited staff capacity as staff members are home for
- **Justification:** Recipients are reporting limited staff capacity as staff members are home for a variety of reasons related to COVID-19 (e.g., quarantining, children home from school, working elsewhere in the community to manage the COVID-19 response). In addition, not all program participants have capacity to meet via phone or internet. Waiving the monthly case management requirement as specified below will allow recipients to provide case management on an asneeded basis and reduce the possible spread and harm of COVID-19.
- Applicability: This requirement in 24 CFR 578.37(a)(1)(ii)(F) that projects require program participants to meet with case mangers not less than once per month is waived for all permanent housing- rapid re-housing projects for two months beginning on the date of this memorandum.

5. Housing Quality Standards (HQS) – Initial Physical Inspection of Unit

Requirement: Recipients are required to physically inspect any unit supported with leasing or rental assistance funds to assure that the unit meets housing quality standards (HQS) before any assistance will be provided on behalf of a program participant. Citation: 24 CFR 578.75(b)(1) **Explanation:** 24 CFR 578.75(b)(1) requires that recipients or subrecipients physically inspect each unit to assure that it meets HQS before any assistance will be provided for that unit on behalf of a program participant. Justification: Waiving the physical initial inspection requirement 24 CFR 578.75(b)(1) as specified below will allow recipients to help prevent the spread of COVID-19. **Applicability:** This waiver of the requirement in 24 CFR 578.75(b)(1) that the recipient or subrecipient physically inspect each unit to assure that the unit meets HQS before providing assistance on behalf of a program participant is in effect for 6-months beginning on the date of this memorandum for recipients and subrecipients that are able to meet the following criteria:

- 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 reinspect the unit within 3 months after the health officials determine special measures to prevent the spread of COVID-19 are no longer necessary.

6. HQS – Re-Inspection of Units

Requirement:	Recipients or subrecipients must inspect all units for which leasing or rental assistance funds are used, at least annually to ensure they continue to meet HQS.
Citation:	24 CFR 578.75(b)(2)
Explanation:	24 CFR 578.75(b)(2) requires that recipients or subrecipients are required to inspect all units supported by leasing or rental assistance funding under the CoC Program at least annually during the grant period to ensure the units continue to meet HQS.
Justification:	Waiving the annual re-inspection 24 CFR 578.75(b)(2) requirement during this public health crisis as specified below will help allow recipients to prevent the spread of COVID-19.
Applicability:	This requirement in 24 CFR 578(b)(2) is waived for 1-year beginning on the date of this memorandum.

7. One-Year Lease Requirement

Requirement:	Program participants residing in PSH must be the tenant on a lease for a term of at least one year that is renewable and terminable for cause.
Citation:	24 CFR 578.3, definition of permanent housing, 24 CFR 578.51(l)(1)
Explanation:	The CoC Program regulation at 24 CFR 578.3, definition of permanent housing, and 24 CFR 578.51(l)(1) requires program participants residing in permanent housing to be the tenant on a lease for a term of one year that is renewable and terminable for cause.
Justification:	Waiving the one-year lease requirement as specified below will allow recipients to more quickly identify permanent housing for individuals and families experiencing homelessness, which is helpful in preventing the spread of COVID-19.
Applicability:	The one-year lease requirement is waived for six-months beginning on the

date of this memorandum, so long as the initial lease term of all leases is for more than one month.

CONSOLIDATED PLAN REQUIREMENTS

8. Citizen Participation Public Comment Period for Consolidated Plan Amendment

- **Requirement**: 30-day Public Comment Period.
- Citations: 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) and 24 CFR 91.401
- **Explanation**: A CPD grantee may amend an approved consolidated plan in accordance with 24 CFR 91.505. Substantial amendments to the consolidated plan are subject to the citizen participation process in the grantee's citizen participation plan. The citizen participation plan must provide citizens with 30 days to comment on substantial amendments.
- **Justification**: Given the need to expedite actions to respond to COVID-19, HUD waives 24 CFR 91.105(c)(2) and (k), 91.115(c)(2) and (i) as specified below, in order to balance the need to respond quickly to the growing spread and effects of COVID-19 with the statutory requirement to provide reasonable notice and opportunity for citizens to comment on substantial amendments concerning the proposed uses of CDBG, HOME, HTF, HOPWA or ESG funds.
- Applicability: This 30-day minimum for the required public comment period is waived for substantial amendments, provided that no less than 5 days are provided for public comments on each substantial amendment. The waiver is available through the end of the recipient's 2020 program year. Any recipient wishing to undertake further amendments to prior year plans following the 2020 program year can do so during the development of its FY 2021 Annual Action Plan.

9. Citizen Participation Reasonable Notice and Opportunity to Comment

Requirement :	Reasonable Notice and Opportunity to Comment.
Citations:	24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) and 24 CFR 91.401
Explanation:	As noted above, the regulations at 24 CFR 91.105 (for local governments) and 91.115 (for States) set forth the citizen participation plan requirements for recipients. For substantial amendments to the consolidated plan, the regulations require the recipient to follow its citizen participation plan to

provide citizens with reasonable notice and opportunity to comment. The citizen participation plan must state how reasonable notice and opportunity to comment will be given.

- **Justification**: HUD recognizes the efforts to contain COVID-19 require limiting public gatherings, such as those often used to obtain citizen participation, and that there is a need to respond quickly to the growing spread and effects of COVID-19. Therefore, HUD waives 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) and 24 CFR 91.401 as specified below to allow these grantees to determine what constitutes reasonable notice and opportunity to comment given their circumstances.
- **Applicability**: This authority is in effect through the end of the 2020 program year.

EMERGENCY SOLUTIONS GRANTS PROGRAM

10. HMIS Lead Activities

Requirement:	ESG funds may be used to pay the costs of managing and operating the HMIS, provided that the ESG recipient is the HMIS Lead.
Citation:	24 CFR 576.107(a)(2)
Explanation:	To enable ESG-funded projects to participate in HMIS as required by section 416(f) of the McKinney-Vento Homeless Assistance Act, 24 CFR 576.107(a)(2) authorizes the use of ESG funds for managing and operating the HMIS (e.g., hosting and maintaining HMIS software or data, upgrading, customizing, and enhancing the HMIS), only where the ESG recipient is the HMIS Lead, as designated by the CoC.
Justification:	Waiving the rule as specified below would allow more recipients to use ESG funding to upgrade or enhance the HMIS as needed to incorporate ESG program data related to COVID-19.
Applicability:	The condition that the recipient must be the HMIS Lead to pay costs under 24 CFR 576.102(a)(2) is waived to the extent necessary to allow any recipient to use ESG funds to pay costs of upgrading or enhancing its local HMIS to incorporate data on ESG Program participants and ESG activities related to COVID-19. This waiver is in effect for 6-months beginning on the date of this memorandum.

11. Re-evaluations for Homelessness Prevention Assistance

Requirement: Homelessness prevention assistance is subject to re-evaluation of each program participant's eligibility need for assistance not less than once every 3 months.

Citation:	24 CFR 576.401(b)
Explanation:	The ESG regulations at 24 CFR 576.401(b) requires recipients or subrecipients providing homelessness prevention assistance to re-evaluate the program participant's eligibility, and the types and amounts of assistance the program participant needs not less than once every 3 months.
Justification:	Waiving re-evaluation requirement for homelessness prevention assistance as specified below is necessary to help program participants remain stable in housing during the economic uncertainty caused by COVID-19.
Applicability:	The required frequency of re-evaluations for homelessness prevention assistance under section 576.401(b) is waived for up to 2-years beginning on the date of this memorandum, so long as the recipient or subrecipient conducts the required re-evaluations not less than once every 6 months.

12. Housing Stability Case Management

- **Requirement:** Program participants receiving homelessness prevention or rapid re-housing assistance must meet with a case manager not less than once per month, unless certain statutory prohibitions apply.
- **Citation:** 24 CFR 576.401(e)
- **Explanation:** Under 24 CFR 576.401(e), the recipients or subrecipients must require program participants to meet with a case manager not less than once per month to assist them in ensuring long-term housing stability, unless the Violence Against Women Act of 1994 or Family Violence Prevention and Services Act prohibits the recipient or subrecipient from making its shelter or housing conditional on the participant's acceptance of services.
- **Justification:** Recipients are reporting limited staff capacity as staff members are home for a variety of reasons related to COVID-19 (e.g., quarantining, children home from school, working elsewhere in the community to manage the COVID-19 response). In addition, not all program participants have capacity to meet via phone or internet. Waiving the monthly case management requirement as specified below will allow recipients to provide case management on an as needed basis and reduce the possible spread and harm of COVID-19.
- **Applicability:** This waiver is in effect for two months beginning on the date of this memorandum.

13. Restriction of Rental Assistance to Units with Rent at or Below FMR

Requirement: Restriction of rental assistance to units with rent at or below FMR.

- **Explanation:** Under 24 CFR 576.106(d)(1), rental assistance cannot be provided unless the total rent is equal to or less than the FMR established by HUD, as provided under 24 CFR Part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.
- **Justification:** Quickly moving people into permanent housing is especially critical in preventing the spread of COVID-19. Waiving the limit on rental assistance to rents that are equal to or less than the FMR, established by HUD, will assist recipients and subrecipients in more quickly locating additional units to house individuals and families experiencing homelessness.
- Applicability: The FMR restriction is waived for any individual or family receiving Rapid Re-housing or Homelessness Prevention assistance who executes a lease for a unit during the 6-month period beginning on the date of this memorandum. The ESG recipient or subrecipient must still ensure that the units in which ESG assistance is provided to these individuals and families meet the rent reasonableness standard.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

14. HOPWA - Self-Certification of Income and Credible Information on HIV Status

Requirement :	Source Documentation for Income and HIV Status Determinations.
Citation:	24 CFR 574.530, Recordkeeping
Explanation:	Each grantee must maintain records to document compliance with HOPWA requirements, which includes determining the eligibility of a family to receive HOPWA assistance.
Justification:	This waiver will permit HOPWA grantees and project sponsors to rely upon a family member's self-certification of income and credible information on their HIV status (such as knowledge of their HIV-related medical care) in lieu of source documentation to determine eligibility for HOPWA assistance of families and grantees affected by COVID-19.
Applicability:	Eligibility is restricted to a low-income person who is living with HIV/AIDS and the family of such person. This waiver is in effect for recipients who require written certification of the household seeking assistance of their HIV status and income, and agree to obtain source documentation of HIV status and income eligibility within 3 months of public health officials determining no additional special measures are necessary to prevent the spread of COVID-19.

15. HOPWA – FMR Rent Standard

Requirement :	Rent Standard for Tenant-Based Rental Assistance (TBRA).
Citation:	24 CFR 574.320(a)(2), Rent Standard
Explanation:	Grantees must establish rent standards for their tenant-based rental assistance programs based on FMR (Fair Market Rent) or the HUD- approved community-wide exception rent for unit size. Generally, the TBRA payment may not exceed the difference between the rent standard and 30 percent of the family's adjusted income.
Justification :	This waiver of the FMR rent standard limit permits HOPWA grantees to establish rent standards, by unit size, that are reasonable, and based upon rents being charged for comparable unassisted units in the area, taking into account the location, size, type, quality, amenities, facilities, management and maintenance of each unit. Grantees, however, are required to ensure the reasonableness of rent charged for a unit in accordance with §574.320(a)(3).
	This waiver is required to expedite efforts to identify suitable housing units for rent to HOPWA beneficiaries and HOPWA-eligible families that have been affected by COVID-19, and to provide assistance to families that must rent units at rates that exceed the HOPWA grantee's normal rent standard as calculated in accordance with §574.320(a)(2).
Applicability:	Such rent standards may be used for up to one year beginning on the date of this memorandum.
16. HOPWA – Property Standards for TBRA	
Requirement :	Property Standards for Tenant-Based Rental Assistance (TBRA)
Citation:	24 CFR 574.310(b), Housing Quality Standards
Explanation :	This section of the HOPWA regulations provides that units occupied by recipients of HOPWA TBRA meet the Housing Quality Standards (HQS) established in this section.
Justification :	This waiver is required to enable grantees and project sponsors to expeditiously meet the critical housing needs of the many eligible families that have been affected by COVID-19 while also minimizing the spread of the coronavirus.

Applicability:This waiver is in effect for one year beginning on the date of this
memorandum for recipients and project sponsors that are able to meet the

following criteria:

- a. The recipient or project sponsor 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 reinspect the unit after the health officials determine special measures to prevent the spread of COVID-19 are no longer necessary.

17. HOPWA Space and Security

Requirement:	Adequate Space and Security.
Citation:	24 CFR 574.310(b)(2)(iii), Space and security
Explanation:	This section of the HOPWA regulations provide that each resident must be afforded adequate space and security for themselves and their belongings.
Justification:	This waiver is required to enable grantees and project sponsors operating housing facilities and shared housing arrangements the flexibility to use optional appropriate spaces for quarantine services of eligible households affected by COVID-19. Optional spaces may include the placement of families in a hotel/motel room where family members may be required to utilize the same space not allowing for adequate space and security for themselves and their belongings.
Applicability:	This space and security requirement is waived for grantees addressing appropriate quarantine space for affected eligible households during the allotted quarantined time frame recommended by local health care professionals.

Attachment #1 to Memorandum:

Procedure for Using Available Waivers of Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19

This attachment provides further information on the process that grantees must follow to use the waiver flexibility provided in the memorandum.

Grantees must mail or email notification to the Community Planning and Development Director of the HUD Field Office serving the grantee.

The mail or email notification must be sent <u>two days</u> before the grantee anticipates using waiver flexibility, and include the following details:

- Requestor's name, title, and contact information;
- Declared-disaster area(s) where the waivers will be used;
- Date on which the grantee anticipates first use of the waiver flexibility; and
- A list of the waiver flexibilities the grantee will use:
 - 1. CoC Program Fair Market Rent for Individual Units and Leasing Costs
 - 2. CoC Program Disability Documentation for Permanent Supportive Housing (PSH)
 - 3. CoC Program Limit on Eligible Housing Search and Counseling Services
 - 4. CoC Program Permanent Housing-Rapid Re-housing Monthly Case Management
 - 5. CoC Program Housing Quality Standards (HQS) Initial Physical Inspection of Unit
 - 6. CoC Program HQS Re-Inspection of Units
 - 7. CoC Program One-Year Lease Requirement
 - Consolidated Planning Requirements HOME, CDBG, HTF, ESG, and HOPWA Programs – Citizen Participation Public Comment Period for Consolidated Plan Amendment
 - 9. Consolidated Planning Requirements HOME, CDBG, HTF, ESG, and HOPWA Programs – Citizen Participation Reasonable Notice and Opportunity to Comment
 - 10. ESG Program HMIS Lead Activities
 - 11. ESG Program Re-evaluations for Homelessness Prevention Assistance
 - 12. ESG Program Housing Stability Case Management
 - 13. ESG Program Restriction of Rental Assistance to Units with Rent at or Below FMR
 - 14. HOPWA Program Self-Certification of Income and Credible Information on HIV Status
 - 15. HOPWA Program FMR Rent Standard
 - 16. HOPWA Program Property Standards for TBRA
 - 17. HOPWA Program Space and Security