

CDBG-CV1 Emergency Rental Assistance Application Guide

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I. **General Information**

A. **Background**

The Oregon State Community Development Block Grant (CDBG) program, administered by the Oregon Business Development Department (Business Oregon), receives an annual allocation of federal funds from the US Department of Housing and Urban Development (HUD). In addition, Business Oregon is receiving additional CDBG Coronavirus (CDBG-CV) funds through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Purpose

The CDBG primary national objective is to benefit low- and moderate-income (LMI) persons. LMI is defined as 80 percent of the county median income, adjusted by household size. In limited cases, CDBG funds may be used to alleviate qualifying urgent needs. LMI persons receive assistance through local programs and activities funded with a state CDBG grant. Based on the CARES Act, the purpose of CDBG COVID-19 funding is to prevent, prepare for, and respond to the coronavirus pandemic.

Eligible Activities for this NOFA is targeted towards emergency rental assistance to those LMI households that are affected by the impact of COVID-19.

Local Government Grant Recipients

The state CDBG program awards grants to only those rural city/town and county governments not entitled to receive urban area CDBG funds directly from HUD.

B. **Funding Information**

This grant program is utilizing: Federal funding from the first allocation of Community Development Block Grant program CARES Act (CDBG-CV1) of which amount of \$2,233,203 has been allocated to this program in whole.

City—\$400,000 (must serve a minimum of two non-entitlement communities.)
(Can apply for an additional \$50,000 if collaborating with additional non-entitlement cities—maximum of \$500,000.)

County—\$600,000
(Can apply for an additional \$100,000 if collaborating with additional non-entitlement county—maximum of \$800,000.)

(The remaining CDBG-CV1 allocation will be covered under a separate NOFA for different projects in the near future.)

C. Program Objective

Funding granted under this NOFA is to be utilized for the following:

- Emergency Rental Assistance:
 - Provide no more than six months rental assistance.
 - Eligible tenant household income must be 80% or below Area Median Income (AMI).
 - Eligible sub-grantee will be required to administer the program.

Business Oregon staff will review all requests against the federal and state guidelines, the amended 2019 Method of Distribution, Chapter 16, and the 2020 NOFA Application Guidelines to determine eligibility.

This NOFA will be open for accepting applications until June 30, 2021, or until all funds are exhausted, whichever occurs first.

D. Eligible Applicant Organizations

The state CDBG program is only available to non-entitlement cities or counties (cities or counties that do not receive a direct allocation of CDBG funds from HUD, (see list of entitlement communities*)).

The non-entitlement city or county grant recipient must sub-grant the funds to an organization that can meet the following expectations:

- Experience in providing/administering rental assistance or housing programs to low-moderate income households.
- Demonstrate adequate capacity to administer the emergency rental program.
- Provide a copy of the rent reasonable standard that will be used to determine reasonable rent for the service area.
- Provide a copy of the document that will be used to determine need/assistance is based on the impact of the COVID 19 pandemic.
- Provide a copy of the organizations reasonable accommodation policy.
- Provide a copy of the organizations policy and procedures for the emergency rental assistance program.
 - The policies must include how income is documented and calculated—calculation of income eligibility will begin at the time of tenant application and calculated six months into the future.
 - Must include how no duplication of benefit is being controlled and implemented.
- Provide a copy of the household application the sub-grantee will use to implement the program
- Copy of any documentation that the sub-grantee will use to certify the household has not received any duplication of benefit. The certification must be signed by the sub-grantee and the head of household.
- Must provide documentation that the household beneficiary is not residing in an entitlement area.

***Entitlement communities**, those receiving a direct CDBG allocation from HUD: Oregon tribes, urban cities (Albany, Ashland, Beaverton, Bend, Corvallis, Eugene, Grants Pass, Gresham, Hillsboro, Medford, Portland, Redmond, Salem, and Springfield), and counties (Clackamas, Multnomah, Washington).

E. Emergency Rental Assistance Requirements:

Who can receive Emergency Rental Assistance?

- Applicant household must meet ALL of the following:
- Household with a LMI income ($\leq 80\%$ area median income) based on applicable CDBG income limits
- Household with a documented financial need due to the impact of COVID-19
- Household residing in the program's service area and not in an entitlement community
- Household is not able to access other payment assistance for same costs (no duplication of benefit)

CDBG CARES Act funds target those services addressing the impacts from the COVID-19 emergency, including emergency rental payments; and have these federal restrictions:

- Direct payments to a household are NOT CDBG eligible. Payments are to be paid to a third party on behalf of the qualifying household.
- Payments are for no more than six consecutive months within a 12 month period.
- Payments are intended to prevent eviction.
- Payments cannot be a duplication of benefit.
- Payments with CDBG COVID-19 funds must address impacts resulting from the COVID-19 emergency.

Funding Levels

The local Emergency Rental Assistance payment program's proposed activities, budget and budget justification for local funding levels are submitted with the CDBG application. Due to limited funds, high need, and the evolving availability/lack of availability of other assistance, the maximum payment amounts are set locally to optimize the impact in your area.

In general:

- Maximum Emergency Rental Assistant payment amounts are set locally based on rent reasonable study, fund availability, actual need and financial circumstances. Generally, the amount ranges from \$1,000–\$2,000 a month, but could be greater based on fund availability and documented need.
- Maximum program administration and grant management:
- Program Administration—20% of award but no more than \$50,000 (Counties can request an additional \$20,000 if serving more than one county.)
- Grant Management—10% of award but no more than \$35,000

Use of Assistance

The Emergency Rental Assistance payments are to assist LMI families struggling with COVID-19 economic impacts, and to ultimately help stabilize the community at large. These CDBG funds are limited and must be equitably distributed to LMI families facing urgent financial needs and lack of other resources. Payments may be prioritized based on local/regional factors, COVID-19 impacts, and availability of other resources. As the COVID-19 emergency shifts, any remaining funds must be returned to Business Oregon.

Preventing Duplication of Benefit

HUD guidance states “the duplication of benefit occurs when federal financial assistance is provided to a person and the person has (or would receive, by acting reasonably) financial assistance for the same costs from **any** other source and the total amount received exceeds the total need for those costs.” Local government grantees and sub-grantees must establish and maintain adequate procedures to prevent any duplication of benefits.

Timing of Assistance

CDBG-CV funds can only cover eligible costs incurred as of April 1, 2020 and later.

Income Qualification and CDBG National Objective

CDBG funded public services must benefit LMI persons, based on the persons household income from all persons residing in the home (i.e., family, friends, roommates), household size, and the CDBG income limits (80% or below).

Household income may be determined by projecting the household’s prevailing rate of income at the time the assistance is provided (6 months into the future), and maintaining documentation of this determination. Increase in expenses is not a factor in determining income eligibility.

Ineligible types of assistance:

- Payments made directly to tenant, friend or family member of the tenant
- Any payments beyond six months consecutive
- Utility payments (unless included in rent)
- Hotel vouchers/payments
- Security deposit
- Payments to households that exceed 80% of the AMI
- RV Parks

F. Program Administration

The local government grant recipient, and sub-grantee that administers the program, is responsible for administering the local emergency rental assistance program, maintaining required records, and ensuring compliance with CDBG state and federal requirements. CDBG cannot provide advance grant funds prior to emergency rental

assistance payments or administration costs incurred, so the payment process must be coordinated between all parties to expedite funding and support cash flow.

Emergency Rental Payment Records

The emergency rental assistance payment program must maintain a file on each assisted household and must include:

- Application for assistance form that includes the essential CDBG COVID-19 eligibility criteria, certified by the applicant.
- LMI verification documents (such as unemployment benefit, pay stubs), household size, and the income level (30%, 50%, 80% AMI).
- Documentation of loss of income due to COVID-19.
- Proof that loss of housing is at risk and the need for emergency payment (such as late payment or eviction notice).
- Documentation of current lease agreement and that the household was not behind on rent prior to April 1, 2020.
- Ethnicity/race demographics for federal reports.
- Grantee certified environmental exemption from public services.
- Copy of the rent reasonable study used to determine local FMR.
- No duplication of benefit documentation

Applicant tenant information collected must remain confidential, used only to meet federal and state record keeping requirements, and withheld as applicable from disclosure.

G. Federal Requirements

The Community Development Block Grant (CDBG) Program is subject to many federal requirements that cover a wide range of activities. Some of the requirements are briefly summarized within Chapter 4 of the most current Method of Distribution. More detailed information can be found in the [Grant Management Handbook](#) and other resources available from Business Oregon. The CDBG Grant Management Handbook (2017 Edition) or most current edition, can be found on the Department's website.

Business Oregon encourages potential applicants to review [the Grant Management Handbook](#) prior to committing to the submission of an application in order to familiarize themselves with the wide array of program requirements. Reviewing the handbook will help to determine adequate staffing and capacity to effectively manage the program.

Some of the requirements will be checked by Business Oregon during application review; others will be verified when grant projects are monitored. Below are the requirements that would be reviewed with the application.

Public Hearings

The public hearing to cover community development and housing needs must be held before submission of an application to the state. There must be reasonable notice of hearings and they may be held virtually that allows opportunity for people viewing to provide comments at the time of hearing, and must also provide accommodations for the handicapped. To meet the reasonable notice requirement the first public hearing notice must be advertised or posted at least 5 full days in advance of the time the public hearing.

Applications from jurisdictions that fail to comply with the citizen participation requirements will not be accepted. **Applicants must use the required first public hearing notice included in Chapter 6 of the Method of Distribution. The first public hearing notice must be advertised or posted by the local government at least 5 full days in advance of the time the public hearing is to be held.**

The local government must provide for a minimum of two public hearings, each at a different stage of the project, for the purpose of obtaining citizen's views and responding to proposals and questions. Together, the hearings must cover community development and housing needs, development of proposed activities and a review of program performance.

Technical assistance is available if you need assistance with the public hearing process.

Environmental Review

Recipients are required to obtain appropriate environmental clearances for their project and to maintain an "environmental review record" for each project. More detail on how to comply with these requirements and the necessary forms are contained in Chapter 3 of the Grant Management Handbook.

Before the first payment is released, the local government grantee is to complete the National Environmental Policy Act (NEPA) form to certify the assistance payments are categorically excluded/exempt.

The grant recipient shall not commit/obligate or expend funds on any project activity before completion of the appropriate level of environmental review.

II. Application Instructions

A. Application Deadline

The funds will be distributed on a first come first serve basis until all funds are exhausted or June 30, 2021, whichever occurs first.

B. Application submission

The application process is as follows:

- [Pre-Application Form](#)
- Pre-application will be reviewed by the Regional Development Officer for the area of the applicant and CDBG Team for preliminary eligibility review.
- After review of the pre-application an eligible application will be invited to apply and a link to the application will be provided by the CDBG Project Manager.

C. Application Questions

For questions regarding the NOFA or use of funds please contact your [RDO](#) or the CDBG Team at Business Oregon.

D. Eligible Applicant

Non-entitlement cities or counties

III. Application Review Process

A. Eligibility Prescreening Review

The department will review applications to determine if they meet the eligible criteria listed above. Each Application must be able to document in detail how the sub-grantee will document the effects of COVID-19 on rental households. The application lists all the attachments that will be required to determine eligibility. If the application is incomplete the applicant will be contacted by Business Oregon and will be given five business days to provide the complete information in order to complete the review and eligibility process. If the applicant does not respond within the allotted time Business Oregon may send a notice of application withdrawal.

The prescreening criteria are:

- All application threshold documents must be submitted by the application deadline.
- Application documents must be uploaded with the application to be considered eligible applications.
- Policy and documentation to ensure no duplication of benefit
- An Applicant must meet all requirements as set forth in II. General Information, D. Eligible Applicant Organizations; and
- An Applicant must not be an ineligible applicant organization as set forth in II. General Information, E. Ineligible Applicant Organizations.

B. Awards

Once the application has been reviewed for completeness and eligibility the applicant will receive a letter informing them of the award, OBDD will create a contract for execution of the activity. It is important for the applicant to remember **do not expend any funds until the contract is signed and the environmental process is complete.**

IV. Link of Resources

- Emergency Rental Assistance NOFA Application Guide (this document)
- [Pre-Application Form](#)
- [2020 MOD](#)
- [2019, MOD, including Chapter 16](#)
- [2017 Grant Management Handbook](#)