



COVID-19 EMERGENCY RENTAL & UTILITY ASSISTANCE PROGRAM GUIDELINES

**City of Encinitas
Development Services Department**
505 South Vulcan Avenue
Encinitas, CA 92024

Updated August 10, 2020



TABLE OF CONTENTS

I.	PURPOSE/OVERVIEW	2
II.	ELIGIBLE APPLICANTS AND USE OF FUNDS	2
	A. Eligible Applicants	2
	B. Eligible Use of Funds	2
	C. Preferences	2
	D. Income Qualification Criteria	3
III.	APPLICATION PROCESS	3
	A. Submittal of Applications	3
	B. Required Application Support Documentation	4
	C. Application Approval/Denial	4
	D. Waiting List	5
IV.	LANDLORD REQUIREMENTS	5
	A. Ownership Verification	5
	B. Required Documentation	5
V.	DENIAL OR TERMINATION OF ASSISTANCE	6
	A. Tenant Fraud	6
	B. Landlord Fraud	6
VI.	DISPUTE RESOLUTION/APPEALS PROCEDURE	7
VII.	APPLICANT CONFIDENTIALITY	7
VIII.	EXCEPTIONS/SPECIAL CIRCUMSTANCES	7
IX.	LEAD SAFE HOUSING RULE	7
X.	FAIR HOUSING	7
XI.	CONFLICT OF INTEREST	7
XII.	DUPLICATION OF BENEFITS	7

ATTACHMENT A – INCOME INCLUSIONS & EXCLUSIONS (24 CFR Part 5)

CITY OF ENCINITAS
COVID-19 EMERGENCY RENTAL & UTILITY PROGRAM ASSISTANCE

I. PURPOSE/OVERVIEW

The City of Encinitas (“City”) has developed the COVID-19 Emergency Rental & Utility Assistance Program (“Program”) to address the adverse repercussion of the novel coronavirus (COVID-19) to the economy, to jobs, and therefore to housing. Specifically, this program will assist Encinitas residents undergoing financial hardship due to job loss and/or reduction in wages from COVID-19 or medical expenses directly related to coronavirus. For qualified applicants, the program will provide up to \$4,500 in a one-time payment (not-to-exceed three months of rent and/or utilities). The one-time payment will be made directly to the landlord and/or utility company of rent and/utilities.

This program is a grant funded by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (CDBG-CV) and the Community Development Block Grant (CDBG) Program. The City may select another agency to administer the Program.

II. ELIGIBLE APPLICANTS AND ELIGIBLE USE OF FUNDS

The City will accept applications for program assistance utilizing an online application for a designated period. All applicants must complete an online application and provide all supporting documentation by the City-determined application submittal deadline.

A. Eligible Applicants – Qualified applicants must meet the following:

1. The applicant must reside within the jurisdiction of the City of Encinitas.
2. The applicant must be a tenant.
3. The applicant must be named on the rental agreement.
4. The applicant must demonstrate how COVID-19 caused hardship to the household through either a loss or reduction in income as result the household is unable to pay its rent.
5. The applicant’s gross household income cannot exceed 80% of the San Diego County Median Income, as published by the Department of Housing and Urban Development.

B. Eligible Use of Funds – The following are eligible use of program funds.

1. Payment of monthly rent. Payment will be made directly to the landlord.
2. Payment of gas, electric, water and/or trash. Payment will be made directly to the utility company(ies).

C. Preferences – At the discretion of the City, the following preferences may be applied:

1. To households that have experience medical expenses as a direct result of COVID-19.

2. To families whose sole income provider is unable to work due to illness caused by COVID-19 or has died because of COVID-19.

D. Income Qualification Criteria

The applicant’s gross household income must be at or below 80% of the San Diego County Median Income. The current income limits are provided below:

HUD INCOME LIMITS (Effective April 1, 2020)								
Household Size	1	2	3	4	5	6	7	8
80% AMI	\$64,700	\$73,950	\$83,200	\$92,400	\$99,800	\$107,200	\$114,600	\$122,000

Definition of Income:

Household income is the gross annual income (before any deductions) of all adult household members, including non-related persons that is projected to be received during the coming 12-month period. Income of minors and live-in aides are excluded. Income includes, but is not limited to, salaries and wages, social security, pension, disability and unemployment benefits (federal pandemic unemployment benefits is not considered a benefit), asset income, etc. Refer to Attachment A, 24 CFR Part 5.609, for a guide on what incomes to count and what incomes are excluded.

Third-party verification of income and assets will not be required. However, support documentation will be required to document current household income, assets and document showing how COVID-19 has financially affected the household so that it cannot meet its monthly rent and/or utility obligations.

III. APPLICATION PROCESS

A. Submittal of Applications

Applications will be accepted during a designated timeframe. Applications will be processed in a timely manner and priority given to the applicants with the greatest demonstrated need. Residents will be required to complete an application online. Residents without internet access or those requiring special assistance in completing the online application, may request assistance from the City.

B. Required Application Support Documentation

Submitted applications must include the following supporting documentation, as applicable.

1. Rent/lease agreement showing applicant name, address, and amount of rent.
2. Copies of July 2020 asset account statements: checking, savings, CDs, stocks, bonds, 401k, IRA, etc.
3. Utility bills, other monthly bills, credit cards, cable, phone, internet, etc. –

4. Head of Household (Applicant) and Co-Applicant: Valid California driver's license or identification card.
5. Head of Household (Applicant) and Co-Applicant: Copy of your 2019 federal 1040 tax return (all pages).
6. All other household members 18 years of age and older: Copy of first page of 2019 federal income tax return if not on Head of Household Income Tax Return.
7. Self-Employed: Profit & Loss Statement for October, November, December 2019 and January, February, March, April, May, June, July 2020. AND Business Bank Statements for October, November, December 2019 and January, February, March, April, May, June, July 2020.
8. Working Persons (not unemployed right now): Most recent paystubs covering an entire one (1) month.
9. Unemployed Persons: Last paystub covering an entire one (1) month before becoming unemployed.
10. Unemployed Persons: EDD "Notice of Unemployment Insurance AWARD".
11. Unemployed Persons: Employer furlough, layoff letter or EDD Notice Unemployment Insurance Claim Filed.
12. Full-time student (18 years of age and older) -- evidence of registration with at least 12 units.
13. Additional documentation as deemed necessary to document income and or financial need.

C. Application Approval/Denial

1. Upon receipt of the application, the City will review the application for completeness.
2. Incomplete applications will be given 5 City working days to submit missing documentation. Substantially incomplete applications will be denied (missing more than 2 support documents).
3. Within 10 City working days of submittal, the City will provide the applicant with either with an approval or denial letter and/or email.
4. Approved applicants and their landlord will be notified of applicant eligibility, requirement for a visual lead-based paint inspection (pre-1978 housing units with child under age 6), as applicable and the terms of City assistance.
5. The applicant and landlord will have 7 City working days to confirm agreement to participate in the program.
6. Upon applicant and landlord agreement and/or certification to participate, a visual lead-based paint inspection will be arranged (pre-1978 housing units with child under age 6).
7. Landlord will be required to stabilize disturbed paint in pre-1978 housing units with child under age 6 prior to execution of City agreement.
8. Upon receipt of landlord and tenant agreement and/or certification to participate and completion of lead-based paint stabilization, if applicable, the City will review and approve assistance payment details.

D. Waiting List

The City will not maintain a waiting list.

IV. LANDLORD REQUIREMENTS

A. Ownership Documentation

Landlords must provide their current address of residence or business. Landlords must submit proof of ownership of the property and a Letter of Transfer of Authority if a management agent manages the property. On a case by case basis, the City will allow household to lease properties owned by relatives where the family can show it has been paying rent for a minimum of two months prior to March 1, 2020.

B. Required Documents

- i. Landlord must submit W9 and City New Vendor Request Form. To be submitted by landlord **after** applicant is approved.
- ii. Landlord must provide documentation of missed or incomplete rent payments as a result of COVID-19.
- iii. Landlord must sign an agreement and/or certification for participation in the City's Emergency Rental and Utility Assistance Program.

V. DENIAL OR TERMINATION OF ASSISTANCE

The following shall be grounds for termination of program assistance:

A. Tenant Fraud

If the family has knowingly committed fraud in connection with the Program, the City may terminate assistance.

If the family has misrepresented income, assets, or allowances, which would have caused an increase in the tenant portion of the rent or caused the tenant to be over-income for the Program, the City will make every effort to recover any overpayment made as a result of tenant fraud or abuse.

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other illegal scheme with the owner, the City may deny or terminate assistance.

B. Landlord Fraud

If a landlord has committed fraud or misrepresentation in connection with the Encinitas Rental & Utility Assistance Program, the City will terminate the assistance and review the circumstances and family's involvement to

determine if the family is eligible to relocate to another unit with continuation of assistance.

The Program may bar the landlord from participation in the Emergency Rental and Utility Assistance Program for breach of the program guidelines.

The City will make every effort to recover any overpayments made as a result of landlord fraud or abuse.

VI. DISPUTE RESOLUTION/APPEALS PROCEDURE

Any applicant applying for assistance through this program has the right to appeal if their application is denied. The appeal must be made in writing to the City's Development Services Department within 10 City working days from the date of denial, a written response to the appeal will be provided to the applicant by the City within 30 days of receipt of the applicant's appeal letter.

VII. APPLICANT CONFIDENTIALITY

All personal information will be kept confidential.

VIII. EXCEPTIONS / SPECIAL CIRCUMSTANCES

Exceptions are defined as any action, which would depart from policy and procedures stated in the guidelines. The City reserves the right to make exceptions but must comply with all applicable federal program requirements.

IX. LEAD SAFE HOUSING RULE

The lead safe housing rule applies to rental housing constructed prior to 1978 receiving Federal assistance where one household member is younger than 6 years of age. The Lead Safe Housing Rule requires:

1. Providing the renter household with the EPA "Protect Your Family from Lead in your Home" Pamphlet;
2. Conducting a visual assessment of all painted surfaces in order to identify deteriorated paint surfaces; and
3. Paint stabilization of each deteriorated paint surface. Paint stabilization is a method to temporarily reduce exposure to lead paint hazards such as repairing physical defects that cause paint deterioration, removing loose paint and other materials from surfaces containing lead paint, and applying new paint or protective coatings.

To be eligible for assistance, the applicants' landlord or owner must agree to address lead-based paint hazards (peeling and chipping paint surfaces), if any, in a safe manner before the City can provide the assistance.

Once program eligibility is established, as applicable, the City will coordinate the lead-based paint hazard visual inspection with the tenant and landlord. The inspector will inform the owner/landlord if lead based paint hazards are present. Assistance will be denied if lead based paint hazards are not addressed.

X. FAIR HOUSING

The Fair Housing accessibility logos will be placed on all outreach materials. Flyers or other outreach materials will be available in English and any other language that is the primary language of a significant portion of the area residents, will be available to reach the largest number of program participants, and will be provided to any local social service agencies. No applicant, landlord or service provider will be discriminated against on the basis of age, ancestry, color, religious creed (including religious dress and grooming practices), disability (mental and physical) including HIV and AIDS, marital status, medical condition, genetic information, military and veteran status, national origin, race, sex (which includes pregnancy), gender, gender identity, gender expression, and/or sexual orientation or any other protected class under State and Federal Fair Housing Laws.

XI. CONFLICT OF INTEREST

Applicant shall not be an employee, agent, consultant, officer or elected official or appointed official of the City who exercises or have exercised any functions or responsibilities with respect to activities relating to this Program or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from this Program, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

XII. DUPLICATION OF BENEFITS

Coronavirus Aid, Relief, and Economic Security (CARES) Act (CDBG-CV) and the Community Development Block Grant (CDBG) Program are two of multiple federal disaster recovery funding sources made available to state, county, local government, and nonprofit agencies to address the effects of the COVID-19 Pandemic. For this reason, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) and CDBG–CV appropriations require the City to coordinate with other federal, state and local agencies that provide CDBG-CV funding to prevent the duplication of benefits (DOB) under the Encinitas Emergency Rent and Utility Assistance Program.

A duplication occurs when a beneficiary receives assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need. A DOB is not applicable in cases where: 1) Applicants applied for and were approved for rent/mortgage and/or utility assistance but declined assistance; or 2) An application was declined or cancelled. However, those applicants that were approved for rent/mortgage and utility assistance funds and signed agreements, shall be ineligible for funding under this program. In the event funding under this program is a duplication of assistance or future CDBG-CV funding is received for the

same purpose, funds are subject to repayment.

ATTACHMENT A
24 CFR Part 5.609 (b) and (c)

Income Inclusions:

1. The full amount before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
4. The full amount of periodic amounts received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a **periodic amount (e.g. Black Lung Sick benefits, Veterans Disability, Dependent Indemnity Compensation, payments to the widow of a serviceman killed in action). See paragraph (13) under income Exclusions for an exception to this paragraph;*
5. Payment in lieu of earnings, such as unemployment, disability compensation, worker's compensation, and severance pay, except as provided in paragraph 3 under income Exclusions;
6. Welfare Assistance.
 - (a) Welfare assistance received by the family;
 - (b) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included an income shall consist of:
 - (c) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - (d) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is notable reduced from the standard of need by applying a percentage, the amount calculated under the paragraph shall be the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
8. All regular, special pay, and allowances of a member of the Armed Forces except as provided in paragraph (7) under income Exclusions.

Income Exclusions:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, except as provided in paragraph (5) under income Inclusions;
4. Amounts received by the family that are specifically for or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide as defined in 24 CFR 5.403;
6. The full amount of student financial assistance paid directly to the student or to the educational institution;
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (e.g., in the past, special pay included Operation Desert Storm):
 - (a) Amounts received under training programs funded by HUD e.g. training received under Section 3);
 - (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
 - (c) Amounts received by a participant in other publicly assisted programs that are out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;
 - (d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period; or
 - (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local government training programs (including training not affiliated with a local government) and training of a family member as a resident management staff person. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participated in the employment training program.
8. Temporary, non-recurring, or sporadic income (including gifts);
9. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. (Examples include payments by the German and Japanese governments for atrocities committed during the Nazi era);
10. Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household of spouse);
11. Adoption assistance payments in excess of \$480 per adopted child;
12. Deferred periodic amounts from supplemental income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
13. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

14. Amounts paid by a state agency for a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
15. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609 (c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify to this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]);
 - (b) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044 [g], 5058) (employment through AmeriCorps, Volunteers in Service to America (VISTA), Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
 - (c) Payments received under the Alaska Native Settlement Act (43 U.S.C. 1626 [c]);
 - (d) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459 [e]);
 - (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;
 - (f) Payments received under the programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552[b]); (Effective July, 2000, references to the Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 [29 U.S.C. 293]); e.g. employment and training programs for Native Americans and migrant and seasonal farmworkers, Job Corps, veterans employment programs, state job training programs, career intern programs, AmeriCorps);
 - (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L-94-540. 90 Stat. 2503-04);
 - (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interest held in such trust or restricted lands (25 U.S.C. 1407-1408);
 - (i) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087 uu);
 - (j) Payment received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056[f]). E.g. Green Thumb, Senior Aides, Older American Community Service Employment Programs;
 - (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent* product liability litigation, M.D.L. No. 381 [E.D.N.Y.];
 - (l) Payments received under the Marine Indian Claims Settlement Act of 1980 (25 U.S.C. 172);
 - (m) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant of 1990 (42 U.S.C. 9858q);
 - (n) Earned Income Tax Credit (ETC) refund payments received on or after January 1, 1991, including advanced earned income credit payments (26 U.S.C. 32[j]);
 - (o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L.95-433);
 - (p) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637[d]);
 - (q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);
 - (r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because the commission of crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and
 - (s) Allowances, earnings, and payments for individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 293).