City of Surprise CARES
Housing Stability Program
Policies and Procedures

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INTRODUCTION: This handbook outlines the policies and procedures to be followed by City of Surprise Neighborhood Services Program Coordinators in the administration of the City of Surprise CARES Housing Stability Program. It provides basic information about eligibility, processing applications, referrals, reporting requirements, case management, and program management.

The program meets the National Objective described at 24 CFR 570.208(a), Activities benefiting low- and moderate income persons. All beneficiaries of the program will meet the requirements at 24 CFR 570.208(a)(2)(c).

The program meets basic eligibility requirements described at 24 CFR 570.201(e), with exclusions described at 24 CFR 570.207(b)(4), which allows for housing (rent or mortgage) or utilities made as emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

Funding for the program has been identified in the City of Surprise Consolidated Plan under Public Services, and in the Program Year 2019 Annual Action Plan Amendment, providing CDBG-CV funding for Public Services. Pre-award costs are eligible for reimbursement as of March 27, 2020.

PURPOSE: Provide rental/mortgage and/or utility assistance to residents of The City of Surprise impacted by income loss directly related to the COVID-19 pandemic.

DUPLICATION OF BENEFITS: The City of Surprise Housing CARES stability program is necessary and reasonable to assist Surprise residents affected by the COVID-19 pandemic. The Housing CARES program is the sole available funding source for mortgage and rental assistance for Surprise residents who have had loss of income due to the pandemic. The City of Surprise Resource Center administers CDBG Crisis Assistance Program and Community Action Program(CAP) for one time rent or utility assistance for Surprise families. The Housing CARES Stability Program will ensure beneficiaries of the program have not been assisted by CDBG-CV funding for the same months as currently requested by conducting a thorough analysis.

EFFECTIVE DATE: 3/27/2020 just prior to Arizona's "Stay Home, Stay Healthy, Stay Connected" Initiative which began on 3/31/2020

PROGRAM PARAMETERS:

A. Rental or Mortgage Assistance and Utility Assistance in conjunction with Rent or Mortgage, for those in arrears or facing imminent default, not to exceed three consecutive months. (24 cfr 570.207(b)(4))

B. Eligible residents may receive a provision of assistance, of up to three consecutive months, under this program in a program year cycle (July 1-June 30)

C. Funding for this program is limited. This program is available to City of Surprise residents whose housing stability has been directly affected by COVID-19.

D. Landlord/Property Manager, Lender must be willing to participate, complete required documentation and accept 3rd party payee from City of Surprise CARES Housing Stability Program.

E. All assistance is provided as a third party payment on behalf of the resident and paid directly to lender/landlord or/utility service by the City of Surprise on behalf of the resident.

F. Program is First Come/First Served, with no specific prioritization noted.

G. Program assistance must be such that it brings current, any account in arrears, otherwise, resident will be referred to another program. i.e. A mortgage more than three months past due does not qualify and future payments cannot be made.

H. Assessment prevents duplication of services to ensure that eligible City of Surprise residents are receiving rental, mortgage and utility assistance directly related to COVID-19.

I. Department Director approval is required for use of regular CDBG funds to offer pre-COVID19 housing stability assistance.

J. Applicants found ineligible for CARES Housing Stability Program will be referred to other programs or provided resources.

ELIGIBILITY: To be eligible for City of Surprise CARES Housing Stability Program, an applicant must be:

A. City of Surprise Resident with proof of residency 30 days prior to 3/27/2020

B. Loss of income/housing stability **must** be directly related to COVID-19
(i.e. verifiable proof of loss of income effective 3/27/2020, forward)

C. Income Qualify PY2020 AMI 80% - subject to annual changes (see chart below)

D. Not currently receiving/or have received housing assistance in past 12 months **utilizing the same funding source.** Any individual, family, household, business, or other entity that receives a duplicative benefit, must repay the City.

E. Not living in subsidized housing

F. Resident must offer verification of past due rent/mortgage amount, or may be current on their rent/mortgage, provided they are at risk of imminent default, as determined by financial review

G. Homeowner must be no less than 30 days from Trustee Sale Date

H. Resident must be the mortgage holder for mortgage assistance **OR** named on the lease for rental assistance

I. For rental assistance, resident must have entered into the lease prior to 2/27/2020 with lease term a minimum of 12 months. Short term rentals, explicitly excluded.

ELIGIBLE EXPENSES: rent, (including arrears), mortgage, (including forbearance)
utility assistance if included with rent/mortgage assistance, (including arrears) for up to three consecutive months.

This program is made available to City of Surprise Residents who fall under Income Limit Guidelines below Program Year 2020 Income Guidelines									
Program Year 2020 Income Limit Area	Program Year 2020 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Phoenix-Mesa Scottsdale, AZ MSA	Extremely Low Income Limits (30%)	$16,350	$18,700	$21,050	$23,350	$25,250	$27,100	$29,000	$30,850
	Very Low Income Limits (50%)	$27,250	$31,150	$35,050	$38,900	$42,050	$45,150	$48,250	$51,350
	Low Income Limits (80%)	$43,600	$49,800	$56,050	$62,250	$67,200	$72,250	$77,200	$82,200

City of Surprise CARES
Housing Stability Program
Process

DISTINCT INTERNAL ROLES REQUIRED TO COMPLETE PROCESS:
1. **NSD Program Coordinator I**
2. **NSD Program Coordinator II**
3. **NSD Program Auditor**
4. **NSD Supervisor**
5. **HSCV Financial Analyst**

STEP 1: **ASSESSMENT/ PRELIMINARY ELIGIBILITY**

- Preliminary eligibility of resident is determined by the following criteria:
  - Housing Instability due to COVID-19 (Beginning on or after 3/27/2020 just prior to Arizona's "Stay Home, Stay Healthy, Stay Connected" Initiative which began on 3/31/2020)
  - Resident to complete assessment via Neighborly Participant Portal https://portal.neighborlysoftware.com/SURPRISEAZ/Participant
    - For persons without a personal computer or needing reasonable accommodations referral to TDD 623.875.4208 or CARES Hotline 623.222.1640
    - Assistance available at City of Surprise Resource Center for use of computer or to receive a paper application
  - Complete Program Participation Agreement, which includes following:
    As a participant in the City of Surprise CARES Housing Stability Program, I agree:
    - To complete limited case management with my assigned program coordinator which may include meeting with my program coordinator at a minimum of one time per month, during program term
    - To answer all questions on all required forms, and provide necessary documentation for approval of participation in the City of Surprise CARES Housing Stability Program
    - To work collaboratively with my program coordinator, other service provider staff, and landlord/mortgage holder to maintain my housing
    - I acknowledge my understanding that upon eligibility determination, it may take up to 30 days for initial assistance payment to be made.
    - I understand that failure to comply with the above-mentioned statements could result a termination of City of Surprise CARES Housing Stability Program funding and services
    - I understand that this is not an entitlement program. Decisions on participant eligibility are based on a review of application and materials submitted by applicant.
    - I understand that completion and certification of this form is not a guarantee of services.
  - Comprehensive income level will be established at Application Review
    - Income Level PY2020 AMI 80% - (see chart above)
  - Resident to be provided access to Program Information, Lender/Landlord packet AND Notice of Information Required at Assessment
  - Past due requirements – must meet **ONE** of the following to be eligible:
    - Rental Assistance - 3 day - Notice to pay or quit/ past due on rent
    - Mortgage Assistance - Late notice from lender/current mortgage statement

- Evidence of imminent default through financial review
  - o If preliminary eligibility is determined, NSD Program Coordinator I to certify Assessment Review in Neighborly to unlock application
    - Assign task to Resident to return to portal and complete the application
      - https://portal.neighborlysoftware.com/SURPRISEAZ/Participant
      - Set task due date, 1 calendar week from date of task assignment
  - o If ineligible, NSD Program Coordinator I **DOES NOT** certify Assessment Review but changes case status to Denied/Ineligible under "Status"
    - Program Coordinator I to prepare Denial Letter with clear explanation of determination and obtain approval signature from NSD Program Coordinator II via DocuSign or in person
    - Email Denial Determination letter to resident
      - o Provide Surprise Resource Guide and if appropriate, referral to other resources or programs
        - Residents needing longer term assistance, or housing instability unrelated to COVID-19 may be referred to TBRA, CAP or other housing resources
    - If referring applicant to the Resource Center, add Resource Center Coordinator to case as a participant in Neighborly and assign a task outlining the details of the referral, i.e., reason for CARES denial and subsequent referral
      - o If it is an emergent situation, note on referral (Eviction Notice, Utility shut off, etc.,)
    - Upload a copy of Denial Letter to case file in Neighborly under "Documents"

STEP 2: **APPLICATION/ELIGIBILITY REVIEW**

- After certification of Assessment by Program Coordinator I, Resident to return to Neighborly portal to complete application for assistance
- All applications to be submitted through the Neighborly online platform
  - o If, for accessibility reasons, a hard copy is received via mail or email, **date stamp documents** for internal verification/documentation of First Come/First Serve
    - Start a new case file and upload all hard copies to Neighborly, if applicable
- Ensure application is complete - A complete application has **ALL** supporting documents required

  - o **ALL** applications must include the following documentation uploaded to the appropriate Neighborly section or the "Required Documents" Page:
    - ✓ Copy of verification that current housing instability is directly related to COVID-19 (Unemployment award letter, letter from employer on furlough, lay-off/loss of job, reduced hours**). Any loss of hours etc. must be after 3/27/2020 to be considered for program eligibility.**
    - ✓ Copy of Driver's License or State Issued I.D. card for each household member over the age of 18
    - ✓ Proof of family size – must include at least one of the following:
      - Copy of Birth Certificates for each household member
      - Copy of Social Security Card for each household member
      - Copy of 2019 tax return
      - Copy of School ID
      - Baptismal Certificate
      - 2019 Tax Return with dependents listed

- - Lease agreement listing other and/or other tenants
  - SNAP letter
- ✓ For mortgage assistance, also include ALL of the following:
  - Copy of Mortgage or Deed or similar documents of your primary residence
  - Copy of mortgage statement for current month
  - Copy of current homeowner's insurance
  - Copy of proof that property taxes on home are current
- ✓ For rental assistance, also include ALL of the following:
  - Copy of current Lease/Rental Agreement
  - Eviction Notice for current month, if received, with total amount due to bring rent or lease current*

  Verification of imminent default through financial review can be used in lieu of this documentation

- ✓ Copy of Bank statements in their ENTIRETY, all pages, from **all accounts** for the **last three months** (for **each** household member over the age of 18) **OR** certification in Neighborly of "No Bank Account" on Assets page
- ✓ Copy of **ALL GROSS INCOME** for the last three months (for **each** household member over the age of 18 years) including all forms of income and pay, current year Social Security award letter(s) Retirement Benefits, Unemployment award letter(s), child support, etc.
  - Also acceptable is certification of No Income (if applicable, for **each** household member over the age of 18) on "Income" page in Neighborly
- ✓ If self-employed FEI Tax ID#
- ✓ If newly employed at reduced rate or less income, written verification of new employment, showing weekly hours, rate of pay 1st payday, start date, employer contact information
- ✓ Copy of Child Support orders for each child in household and Divorce Decree (if applicable, for **each** household member over the age of 18)
- ✓ Copy of benefit letter from SS, SSI, DES or TANF (if applicable, for **each** household member over the age of 18)
- ✓ Certified Government Benefit Form in Neighborly for applicant and household, with requested back up for **each** household member over the age of 18 uploaded to the "Required Documents" Page. *Driver's License or State Issued ID fulfills this requirement*
  - One form to be completed and signed in Neighborly by applicant for themselves and all other household members over the age of 18
- ✓ Tax returns for the two most previous years
  - Or Resident can certify non-filing on the Income Tax Certification page in Neighborly, if applicable
- ✓ Certified COVID-19 Liability Waiver to be acknowledged and e-signed by applicant in Neighborly
- NSD Program Coordinator I to review supporting documents and organize file in Neighborly
- Pull a property profile to verify owner of record https://maps.mcassessor.maricopa.gov/
  - Take a screen shot displaying property owner information and upload to "Documents" page in Neighborly
- If application is *incomplete*, notify Resident of missing documents via Neighborly task
  - Reopen any areas of the application where adjustments or additions are required
  - Remind Resident to upload to the appropriate area in the application and use Messages function associated with task, if needed
  - Assign due date of three (3) business days

- o If hard copy was submitted, highlight missing documents on Notification of Documents required form and send to resident, notify resident application will not be processed until all documents are received.
- When all required file documents are accounted for, complete income verification forms, using the following and save each to case file in Neighborly:
  - o CPD Income Calculator https://www.hudexchange.info/incomecalculator/
  - o CARES income calculation spreadsheet, found in CARES file on shared drive
  - o Income worksheet, found in CARES file on shared drive
- For rental assistance, if income eligibility is determined and if not already submitted, add a Neighborly task for resident to send Landlord packet to Landlord/Property Manager for completion
  - o Forms provided by resident to Landlord in Landlord Packet
    - ✓ Program letter
    - ✓ Restriction on leasing to/from relatives
    - ✓ Statement from the owner
  - o W-9 with valid EIN to be submitted by Landlord/Property Manager with completed packet
- For Mortgage assistance, review and if not already completed, complete Lender information page in Neighborly using information provided by resident
  - • Lender name
  - • Lender Address
  - • Lender Phone Number
  - • Lender email if available
  - o Notify HSCV Financial Analyst via Neighborly task that Mortgage Assistance is being requested. Provide all applicable **Lender** information (noted above) AND EIN number, to ensure set up is complete for once payment request is issued. This step not required for Rental Assistance/Landlord
    - • Once HSCV Financial Analyst confirms payee with Finance, they will make the task complete so process can commence
- Upon receipt, review Landlord packet for accuracy and completion of required information
  - o *If necessary*, assign task for Resident to complete 3rd Party Authorization, granting permission for COS to contact Landlord/Lender/Utility Company and receive required information regarding account status
- If ineligible, NSD Program Coordinator I will change case status to Denied/Ineligible under "Status"
  - o NSD Program Coordinator I to prepare Denial Letter with clear explanation of determination and obtain signature of NSD Program Coordinator II via DocuSign or in person
  - o Email Denial Determination letter to resident
    - • Provide Surprise Resource Guide and if appropriate, referral to other resources or programs
      - • Residents needing longer term assistance, or housing instability unrelated to COVID-19 may be referred to TBRA, CAP or other housing resources
  - o Upload a copy of denial letter to case file in Neighborly under "Administration>Additional Documents"

STEP 3: **PROCESSING ELIGIBLE APPLICATIONS**

- NSD Program Coordinator I will organize resident file in Neighborly according to the checklist
- NSD Program Coordinator I to assign Neighborly task to NSD Program Coordinator II for QA - *File and Eligibility Audit*

- Task verbiage:
  - Re: CARES Housing Stability Program Applicant Eligibility
  - HH Size: #
  - HH Income: $
  - Income Limit: 80%
  - Determination: Eligible/Ineligible
  - Requested assistance:
    - Rental/Mortgage: $ for (months eligible) @ $/month
    - Utilities: $ for (months eligible) @ $/month
- NSD Program Coordinator II to review *File and Eligibility Audit* request and if there are no findings, completes budget workbook and under "Administration" tab, adds:
  - Payee Information:
    - Primary Payee Name – Rent/Mortgage payee
    - EIN – tax payer ID number
    - Payee mailing address
    - Upload: W-9 if available, otherwise EIN Sheet with appropriate EIN highlighted
  - Audit:
    - Demographic information
    - Project costs
    - Household information
- NSD Program Coordinator II assigns Neighborly task to NSD Supervisor - *Supervisor Approval*, providing same information as task verbiage above, including an upload of CPD Income Calculator
- NSD Supervisor approval or other determination will be noted via the "Messages" function directly on the *Supervisor Approval* task

STEP 3: **PAYMENT INFORMATION AND DRAW REQUEST**

- Upon NSD Supervisor approval, NSD Program Coordinator II assigns Neighborly task to NSD Program Auditor for IDIS and Budget set-up
  - NSD Program Auditor goes to "Administration>IDIS Setup" and enters:
    - Project name and number
    - Activity number
    - National objective
    - HUD Activity Code (Matrix code)
    - Accomplishment type
    - Project description
    - Service Area
  - NSD Program Auditor goes to "Budget>Budget Items" and enters:
    - ID Number
    - Category
    - Funding/grant
    - Amount provided by NSD Coordinator II in Audit task
  - NSD Program Auditor then marks the Neighborly task "Complete"

- NSD Program Coordinator I to complete award letter, including breakdown of payments to be made
  - Email a copy to resident via the NSD email account

- Provide a community resource guide, Surprise Resource Center, or other resources for job search assistance, other barriers or concerns as brought up in communication with resident
    - o Program Coordinator I will upload a copy of award letter to case file in Neighborly under "Administration>Additional Documents"
- Once Budget is established in Neighborly
    - o Under "Budget", NSD Program Coordinator II will add information for the PRIMARY draw - Rental/Mortgage
        - On "Request" tab: add brief summary of PRIMARY (Rent/Mortgage) request and uploads
            - W-9 or EIN Information sheet
            - Signed award letter
            - Budget workbook
            - Payment information as applicable, including copies of payment coupons
        - Approval process for Draw Request is as follows - *Neighborly will automatically notify next approver*
            - NSD Program Coordinator II to initiate process and approve own draw request
            - NSD Program Auditor for Compliance Approval
            - NSD Supervisor for Supervisor Approval
            - HSCV Financial Analyst for Finance Disbursement
    - o If more than one draw is required (i.e. utility payments)
        - Once Finance Disbursement is completed by HSCV Financial Analyst for PRIMARY draw, Neighborly will notify ALL Case Followers via email - *Action Completed: Finance Disbursement for Housing CARES Assistance*
            - NSD Program Coordinator II will then return to Administration>Payee Information and change payee information to reflect utility payment request
                - o If more than one utility payment request has been approved, this step will be repeated after each Finance Disbursement is completed until draw/payment for all approved payees/amounts is complete
                    - The purpose of this is for proper rendering of Payment Request
    - *NOTE:*
        - For third party payments:
            - o Landlord/Mortgage Lender is NOT required to register as a City vendor. W-9 and/or EIN and vendor address will be used by HSCV Financial Analyst and Finance for processing.
            - o APS, Southwest Gas, and Epcor, payment request via secondary draw to HSCV Financial Analyst for process through Finance
            - o City of Surprise water, NSD Program Coordinator I to remit payment directly to the website and pay as a guest with purchase card

STEP 4: FOLLOW-UP

- One week after check(s) is issued, NSD Program Coordinator I to ensure all payments to Landlord/Lender and/or Utility Company(ies) have been received
- If resident has not utilized all three (3) consecutive months of available assistance
    - o NSD Program Coordinator I to change case status to "Open"

- A week ahead of next payment due date (30 day) check-in with resident for status of ability to pay
    - If resident cannot make the upcoming payment, they must submit most recent bank statement for accurate financial review and current eligibility determination
    - Continue process for three (3) consecutive months until either (a) resident is able to make payments on their own or (b) all allowable assistance has been awarded, whichever occurs first
    - Once all assistance has been awarded or resident no longer requires assistance, NSD Program Coordinator I will change case status to "Closed" AFTER NSD Supervisor completes month end IDIS draw data/report
- Changes in Status:
    - If resident initially utilized ALL three (3) months of allowable assistance, NSD Program Coordinator I will leave case in "Approved" status until verifications of payments is made
        - NSD Program Coordinator I will change case status to "Closed" *after* NSD Supervisor completes month end IDIS draw data/report
    - If resident has not used all three (3) available months of assistance, NSD Program Coordinator I will move case file to "Open" until either available funding is used or one (1) calendar month has passed without further request by resident for continuing assistance
    - Files will be moved to "Inactive" status after two (2) weeks of no activity. NSD Program Coordinator I to email resident from NSD email account with a reminder/check-in to complete application
- Ensure all internal budget, case notes and tracking forms are current and complete
- NSD Supervisor to complete month end IDIS data report