

City of Harlingen – COVID-19
Financial Hardship Application for Assistance

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) signed into Public Law (116-13) on March 27, 2020, has made available the use of limited funding to Harlingen residents who are experiencing a financial hardship as a result of the Coronavirus. The City of Harlingen will make available limited, temporary assistance to low income residents of Harlingen who have demonstrated financial hardship due to temporarily or permanent loss of employment income due to effects of the COVID-19 pandemic. The City is not obligated to fund a submitted application. All funding considerations are subject to availability of funding and program regulatory and statutory guidance from the U.S. Department of Housing and Urban Development. ONE application per household per program will be accepted, assistance will be limited to a maximum of 3 months retroactive to April 1, 2020; assistance is not available for arrearages prior to April 1, 2020.

All assistance will be on a first come, first serve basis.

You must reside within the city limits of Harlingen, Texas.

Annual household income cannot exceed current income limits.

Economically impacted during the COVID-19 pandemic period beginning April 1, 2020.

Applicant household's eligibility for emergency rental/mortgage/utility assistance will be determined upon submission of a completed application with all required information and documents. Program staff will review application information and provide an eligibility determination in a timely manner. All applicant household's information and supporting documentation will be recorded accurately in an applicant file to demonstrate eligibility/ineligibility for this program.

A denied applicant file shall contain all submitted information and documentation, as well as the reason for denial (ex: over income limits, incomplete information, reside outside service area). A denial may be appealed by filing a written notice of appeal and any information the applicant deems relevant to the appeal with the Community Development Department within 5 days. The Community Development Director, or designee, shall review the information and make a determination within 10 days of receipt of the notice of appeal and associated documents.

An approved applicant file shall contain all submitted information and documentation necessary to meet all required eligibility criteria and contain completed forms, documentation, and necessary information for all members of an applicant household as contained within this document.

Residency

An applicant household must reside in a property located in the city limits of Harlingen.

Definition of a Household and Documentation of Household Members

A **Household** is defined as all the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of persons who share living arrangements. Therefore, household member information must include, at a minimum, the following:

- 1) Full names and ages of all family members as well as any unrelated persons living in the residence; and
- 2) Signature of the primary applicant(s), certifying that the information provided related to the annual household income and members is correct.

Definition of Annual Income and Documentation of Household Income

Annual income is defined as the total gross amount of income received from all sources by adult individuals of the household who have earned or received income during a 12-month period prior to the April 1, 2020. Additional information on household income is provided in Types on Household Income section below.

To determine program eligibility, all sources of annual income for each household member over the age of 18 and the exact amounts earned from each income source must be accurately documented. The primary applicant(s) are also required to certify by signature that the information provided regarding household members is correct. Eligible households must be at or below the "Moderate Income" limits for confirmed household size.

Financial Assistance for utilities may be paid on behalf of qualified households for:

City of Harlingen Water/Sewer Service
Gas/Propane Service (not for BBQ grills)

Electric Service

Financial Assistance for rent/mortgage assistance may be paid on behalf of qualified households who are:

- Not in violation of their current lease/rental agreement (e.g. occupancy, pets) and;
- Do not owe back rent to the landlord/property manager prior to March 27, 2020, and;
- Have a homestead exemption on the property.

RENTAL/MORTGAGE ASSISTANCE MAY NOT BE PROVIDED TO HOUSEHOLDS CURRENTLY RECEIVING A FEDERAL HOUSING SUBSIDY OR LIVING IN FEDERALLY SUBSIDIZED HOUSING UNIT/COMPLEX OR ANY HOUSING THAT HAS A FEDERALLY INSURED MORTGAGE.

This includes Assisted Housing Programs Administered by the U.S. Department of Housing and Urban Development (HUD), Office of Multifamily Housing Programs, Public Housing, Section 8 -Housing Choice Voucher Program, Multifamily Housing Properties Insured by the Federal Housing Administration (FHA), Multifamily Rental Units Receiving Project Based Rental Assistance, Rental Assistance Demonstration (RAD) Program, Single-Family Housing Mortgage insured by the Federal Housing Administration (FHA).

Emergency rental/mortgage assistance will be provided for a monthly rent payment and/or a rental arrearage. Program administrators shall determine the duration and amount of rental assistance provided to eligible households based on application information, monthly rent due, and amount in arrears. This duration and assistance amount will be designed to ensure households are provided with the maximum benefit possible under program limits up to a maximum of 3 months.

Emergency rental/mortgage assistance will not be paid directly to households. Financial rental assistance is paid to the bona fide landlord/property management agent or company.

Landlord, Property Management Agent or Company

A bona fide landlord/property management agent or company is defined as the legal owner and/or representative of a Single-Family or Multi-Unit residential property leased for the purposes of permanent housing, entitled to collect rent as prescribed in a valid lease agreement.

In order to process and disburse emergency rental/mortgage assistance payments to a bona fide landlord/property management agent or company, signed and completed W-9, the COVID-19 RENT/MORTGAGE RELIEF OWNER/AGENT AGREEMENT & ACKNOWLEDGEMENT and other program forms are required. The landlord/property management agent or company will abide by COVID-19 requirements and will be provided with a clear summary and schedule of payments to be made on behalf of eligible households.

Program administration contact numbers and information must be provided in case of questions or concerns.

In addition, the landlord/property management agent or company will be provided with an IRS 1099 form at the end of the calendar year for tax reporting purposes.

Emergency rental/mortgage assistance shall be paid by the date specified on the current lease agreement and program staff will verify proper on-time partial or full rental payment has been made. The emergency rental/mortgage assistance program will log all payments made on behalf of eligible households.

Rental/mortgage assistance includes:

- a. Monthly Rental/Mortgage Payment made on behalf of eligible household to landlord/property management agent or company in a reasonable amount determined by the agency for a maximum of 1 month not to exceed \$1,000.00; or
- b. Monthly Rental/Mortgage Arrears Payment made on behalf of eligible household to landlord/property management agent or company in a reasonable amount determined by the agency for a maximum of 1 month not to exceed \$1,000.00; or
- c. Monthly payment combination of items a. and b. made on behalf of eligible household to landlord/property management agent or company for a maximum of 3 months not to exceed \$3,000.00.

Financial assistance for mortgage payments may be paid on behalf of qualified households for owner occupied homes.

Homeowner must provide notification from Lender that the owner does not qualify for a mortgage forbearance or suspension of mortgage payment;

Mortgage Statement showing the amount of Principal and Interest;

Current Property Tax statement and/or any payment arrangement must accompany mortgage documents.

Grant permission to run a Credit Report to verify that they were in good standing with payments on mortgage (regardless of other payments).

Environmental Review Requirements:

This program is considered to be classified as 24 CFR 58.35(b) (2) a Categorical Exclusion Not Subject to 58.5.

Types of Household Income

The following is a list of the types of household income most commonly encountered, as well as the kinds of documentation required for verification. This is not intended to provide an exhaustive list of possible income sources, but only those sources most commonly encountered. However, all applicant income sources must be clearly identified and documented.

A. **Salary Income:** The documentation of salary income must be obtained from at least **one (1) source**. The documentation may not be older than six (6) months, except for Federal and State income tax returns which may not be older than one (1) year. The documentation must be properly labeled and compiled in the applicant's case file in a readable format. Acceptable sources of income documentation include the following:

Federal or State income tax returns or W2 forms; or

Copies of the applicant's three (3) most recent paycheck stubs, establishing the applicant's monthly income; or

If above documentation is not available, certification of the applicant's monthly and annual income from the employer.

B. **Self-Employment:** Any income from an adult household member who is self-employed must be documented and verified from at least **one (1)** of the following sources:

A copy of IRS Form 1040/1040A (tax return), if filed with the IRS for the last year; or

A notarized affidavit signed by the applicant that includes the name of the household member who is self-employed, the name of the business, and the prior year's estimated annual income.

C. **Social Security/Supplementary Security Income/ Social Security Disability:** Income from Federal or State retirement programs and disability must be verified from at least **one (1) source** that may not be older than six (6) months, unless noted below. Acceptable documentation sources include:

A copy of the applicant's monthly award check; or

A copy of a benefit verification letter (also referred to as an "award letter" or "income letter" and can be requested from local Social Security office by applicant); or

Copy of a bank statement showing direct deposits of applicant's award check; or

Copy of Social Security Form SSA-2458 which verifies benefits (can be requested from local Social Security office by applicant); or

Copy of Social Security form SSA-1099 (tax form mailed each year stating total amount of benefits received from the previous year.) May not be older than one (1) year.

Written certification from the awarding agency verifying the applicant's eligibility and the amount of the monthly benefits; the enclosed **Form D** may be used for this purpose.

D. **Welfare/General Relief:** Income from social aid programs [e.g., Temporary Assistance for Needy Families (TANF)] must be verified from at least **one (1)** of the following sources:

Copies of the applicant's most recent bi-monthly award checks.

Copy of most recent *Notice of Action* or award letter stating the amount of applicant's benefit; or

Written statement from caseworker stating the applicant's benefit amount; or

Written certification from the awarding agency verifying the applicant's eligibility and the amount of the monthly benefits.

E. **Pension Income:** Pension Income must be verified from at least **one (1)** of the following sources:

A copy of the pension award letter; or

Copies of the applicant's three (3) most recent payment stubs verifying benefit amount; or

A copy of the applicant's bank statement demonstrating that the award check was directly deposited into the applicant's account.

F. **Personal Interest:** Personal interest from savings accounts or dividends from financial investments must be identified and documented as earned income. Adequate verification may include:

Federal income tax return; or Copies of bank statements; or

All pages of investment statements indicating the amount of dividends earned.

G. **Alimony/Child Support:** Income received from alimony and/or child support payments must be documented and verified from at least **one (1)** of the following sources:

A copy of applicant's weekly or monthly check; or

A copy of a separation or settlement agreement or a divorce decree from a court establishing payments; or

A notarized affidavit, signed by the applicant, certifying to the amount of child support received.

H. **In-Home Supportive Services:** Income earned by a caregiver/caretaker providing in-home supportive services for a different household must be documented through copies of **the three (3)** most recent paycheck stubs, to establish the monthly income.

I. **Rental Income:** Income received from rental property must be documented as earned income and must be verified from at least two (2) of the following sources:

A copy of the property rental agreement signed by current tenant stating monthly rent; A copy of recent rent check; and/or

A copy of the applicant's income tax return declaring earned rental income. May not be older than one (1) year.
Rent receipt book.

J. **No Income:** Should an adult member of the household (18 years and older) have no income to report, documentation to be submitted may include:

A notarized affidavit signed by the household member declaring he/she does not earn income that can be contributed to the household; or

Affidavit of zero income that the household member does not earn income.

The calculation of annual income **shall not include** the following:

1. **Income from Children**, which is income from the employment of children (including foster children) under the age of 18 years.

2. **Payments Received for the Care of Foster Children**, including foster adults (usually persons with disabilities, unrelated to the family, who are unable to live alone).

3. **Lump-Sum Payments**, including additions to family assets, such as inheritances, insurance payments (e.g., health and accident insurance, and worker's compensation), capital gains and settlement for personal or property losses [except as provided].

4. **Reimbursement for Medical Costs**, including all payments received by the family that are specifically for, or in reimbursement of, medical expenses for any family member.

5. **Live-in Aide**, including the income of a live-in aide employed because of a medical condition or disability of a family member. A live-in aide is determined to be essential to the care and well-being of the person, not obligated for the support of the person, and would not be living in the unit except to provide the necessary supportive services.

6. **Education Assistance**, including the full amount of educational scholarships paid directly to the student or to the educational institution, and Government funds paid to a veteran for tuition fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student. Any amount

of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income.

7. Armed Forces (Special Pay), specifically special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

8. Government Programs, including the following:

- a. Amounts received under training programs funded by HUD and earnings and benefits from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government.)
- b. Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) 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, which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and made solely to allow participation in a specific program.
- d. 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 the U.S. Housing Act of 1937.
- e. Amounts paid by a State agency to a family with a member who has developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member living at home.

9. Temporary Income, considered temporary, nonrecurring or sporadic in nature (including gifts).

10. Income of Full-Time Students, earnings in excess of \$480 for each full-time student 18 years old or older attending school or vocational training (excluding the head of household and spouse).

11. Property Tax Refunds, including amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling of the unit.

12. Adoption Assistance Payments, in excess of \$480 per adopted child.

Record Retention, Program Reporting and Monitoring

The City of Harlingen shall maintain applicant files, landlord/property management agent or company information, and all program administration (programmatic and financial) records, written and digital, for no less than a period of 5 years from the end of the program.

The City of Harlingen shall report, approved and assisted households, and their corresponding assistance information, weekly, or as directed by HUD.

Conflict of Interest

No COVID-19 funding will be provided to any member of the governing body of the City of Harlingen, nor anyone that is related to any employee, officer, board member, or anyone who is in a decision making capacity in connection with the administration of this program; no member of the above organizations shall have any interest, direct or indirect, in the proceeds from a grant from this program.

Brownsville-Harlingen MSA - Cameron County, Texas
Effective July 1, 2020

FY 2020 Income Limit Area	<u>Median Income</u>	FY 2020 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Brownsville-Harlingen, TX MSA	\$47,800	Extremely Low (30%) Income Limits	\$12,400	\$14,150	\$15,900	\$17,650	\$19,100	\$20,500	\$21,900	\$23,300
		Very Low (50%) Income Limits	\$20,650	\$23,600	\$26,550	\$29,450	\$31,850	\$34,200	\$36,550	\$38,900
		60% Limits	\$24,780	\$28,320	\$31,860	\$35,340	\$38,220	\$41,040	\$43,860	\$46,680
		Low (80%) Income Limits	\$33,000	\$37,700	\$42,400	\$47,100	\$50,900	\$54,650	\$58,450	\$62,200