

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: April 21, 2020

TO: NNRHA Residents, Section 8 Clients and Landlords

FROM: Newport News Redevelopment and Housing Authority

SUBJECT: Department of Housing and Urban Development – COVID-19 Waivers

The Coronavirus Aid, Relief and Economic Security Act (CARES) provided the U. S. Department of Housing and Urban Development (HUD) with broad statutory and regulatory waivers to assist local Housing Authorities to better operate and provide housing services to our clients given the constraints of quarantine and stay at home orders. The notice establishes waivers for the operation of Public Housing and Housing Choice Voucher (Section 8) programs.

If you have any questions, please contact your property manager, Section 8 coordinator or send an email to webmaster.nnrha.org.

1. PHA 5-Year and Annual Plan Submission Dates, Significant Amendment Requirements

HUD is establishing an alternative requirement for which PHAs with 6/30/20 or 9/30/20 fiscal year-end (FYE) dates must submit their 5-Year and annual plans or civil rights certification for qualified PHAs no later than 10/18/20 (75 days before 1/1/21).

HUD is also waiving the requirement that PHAs cannot adopt significant amendments or modifications to the annual plan without receiving Board approval and providing an open meeting for the public. PHAs must still notify public housing residents and HCV families of any impacts that the significant amendment may have on them as soon as practicable. This can be done by placing information on the PHA's website, leaving voice-mail messages for residents and additional follow-up communication.

The significant amendment process waiver will remain available through July 31, 2020.

2. Family Income and Composition; Delayed Annual Examinations

HUD will allow PHAs to delay annual reexaminations of HCV and public housing families. All annual recertifications due in CY 2020 must be completed by December 31, 2020 and PHAs must comply with the alternative requirement regarding increases in payment standards under HAP contract terms (see HCV waivers below).

3. Family Income and Composition; Annual Examination – Income Verification Requirements

HUD will allow PHAs to forgo third-party income verification requirements for annual reexaminations, including the use of EIV, if a PHA opts to conduct annual recertifications rather than delaying them. PHAs may consider self-certification as the highest form of income verification to process annual reexaminations. This may occur over the telephone (but must be documented for the written record by PHA staff), through an email or postal mail with a self-certification form by the tenant, or through other electronic communication. Income and family composition examinations and recertifications do not have to be conducted in-person.

This waiver will be made available through July 31, 2020.

4. Family Income and Composition; Interim Examinations

HUD is waiving the requirements to use the income hierarchy described by PIH Notice 2018-18 and will allow PHAs to forgo third-party income verifications, including EIV. PHAs may consider self-certification as the highest form of income verification for interim reexaminations. Interim reexaminations are not required to be held in-person.

This waiver is available through July 31, 2020.

5. Enterprise Income Verification (EIV) Monitoring

HUD is waiving mandatory EIV monitoring requirements found in PIH Notice 2018-18 **through July 31, 2020.**

6. Family Self-Sufficiency (FSS) Contract of Participation; Contract Extension

HUD will consider the circumstances surrounding COVID-19 to qualify as “good cause” to extend a family’s contract of participation in the FSS program through July 31, 2020.

7. Waiting List: Opening and Closing; Public Notice

HUD is waiving the requirement that PHA's must give public notice of opening a wait list by publication in a local newspaper and by minority media and other suitable means through **July 31, 2020**. PHAs may provide public notice of an open waitlist in a voicemail message on its main or general information telephone number and through its website. These messages must meet applicable fair housing requirements.

8. Project-Based Voucher (PBV) Pre-HAP Contract Inspections, PHA Acceptance of Complete Units

A PHA may rely on the owner's certification that the owner that has no reasonable basis to have knowledge that life-threatening conditions exist in the unit. A PHA may add other requirements. The PHA must conduct an HQS inspection no later than October 31, 2020 but must do so as soon as reasonably possible. If there's a requirement under the Agreement to enter into a Housing Assistance Payment (AHAP) contract for newly constructed or rehabilitated projects, the PHA may choose to allow the owner to certify that the PHA requirement has been met. The waiver may also apply to PHA-owned units, if the independent entity is unable to perform the inspection.

A PHA may accept a self-certification until July 31, 2020 and must complete all delayed inspections by October 31, 2020.

9. Initial Inspection: Non-Life-Threatening Deficiencies (NLT) Option

A PHA has the option to approve an assisted tenancy for units that fail HQS with non-life-threatening conditions, as long as PHAs withhold housing assistance payments from the owner if the non-life-threatening failing conditions are not corrected within 30 days. A PHA may now provide 60 days to correct non-life-threatening failing conditions. This option is available for both tenant-based, project-based units, and PHA-owned units.

PHA may approve an extension up to July 31, 2020.

10. HQS Initial Inspection Requirement – Alternative Inspection Option

A PHA may allow the occupancy of a unit prior to an initial inspection if the unit has passed an alternative inspection in the past 24 months. The PHA may then make assistance payments retroactive to the beginning of the lease term once the unit meets HQS. The PHA must also inspect the unit within 15 days of the request for tenancy approval.

The initial inspection option is available to the PHA for both tenant-based and project-based units. The waiver and alternative requirement may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

A PHA may use this waiver until July 31, 2020 and has until October 31, 2020 to inspect a unit that utilizes this waiver.

11. Biennial Inspections

The Department is waiving the requirement that PHAs inspect the unit not less than biennially. All delayed biennial inspections must be completed as soon as reasonably possible, **but no later than October 31, 2020**. This waiver may be applied to PHA-owned units if the independent entity is unable to perform the inspection.

12. Interim Inspections

This waiver states that if an HQS reported deficiency is life-threatening, the PHA must notify the owner of the reported life-threatening deficiency and the owner must correct it within 24 hours of the PHA notification or provide documentation that the deficiency does not exist. For non-life-threatening deficiencies, the PHA must notify the owner within 30 days and the owner must either make the repair or document that the deficiency does not exist within 30 days of the PHA notification. The PHA may add other requirements. The PHA is not required to conduct an on-site inspection to verify the repairs have been made, but may rely on alternative verification methods (photos, tenant certification, etc.). This waiver may apply to PHA-owned units where the independent entity is unable to perform the inspection.

This waiver extends until July 31, 2020.

13. PBV Turnover Unit Inspections

The Department is waiving the regulation that requires a PBV unit inspection before the unit is leased to a new family. The PHA may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit. The waiver may be applied to PHA-owned units if the independent entity is unable to complete inspections.

This waiver may be used until July 31, 2020 and units with delayed inspections must be inspected by October 31, 2020.

14. PBV HAP Contract – HQS Inspections to Add or Substitute Units

The Department is waiving the HQS inspection requirement when substituting or adding a new unit to a PBV HAP contract. The PHA may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit. The waiver may also be applied to PHA-owned units.

A PHA may accept the owner's self-certification until July 31, 2020 and has until October 31, 2020 to inspect the units to which this waiver applies.

15. HQS Quality Control Inspections

The Department is waiving its supervisory quality control inspections **until October 31, 2020.**

16. HQS Space and Security

The Department is waiving the regulation requiring one bedroom for every two people where the PHA wishes to assist a current participant that needs to add a member or members to the assisted household as a result of the COVID-19 emergency. This waiver does not apply to an initial or new lease.

The waiver will be in effect for the duration of the current lease term or one year from the date of this notice, whichever period of time is longer.

17. Homeownership Option – Initial HQS Inspection

The Department is waiving the requirement for an initial HQS inspection before commencing monthly homeownership assistance payments. The family is still required to obtain an independent professional inspector and the PHA is still required to review the independent inspection and has discretion to disapprove the unit because of the contents of the inspection report.

The waiver ends on July 31, 2020.

18. HCVP Administrative Plan

The Department is waiving the requirement that a PHA's administrative plan must be formally adopted by a PHA's board.

A PHA may revise an administrative plan without board approval though any revisions must be formally adopted as practicable **following June 30, 2020, but no later than July 31, 2020.**

19. Information When Family is Selected – PHA Oral Briefing

The Department is waiving the requirement that the PHA must give an oral briefing to families in the HCV and PBV programs. The PHA must instead conduct the briefing by other means such as webcast, video call, ex expanded information packet. The PHA must ensure that the method of communication for the briefing effectively communicates with each family member, including those with vision, hearing, and other communication-related disabilities and those with persons with limited English proficiency.

This waiver ends on July 31, 2020.

20. Term of Voucher – Extensions of Term

The Department is waiving the requirement the voucher term extensions must be in accordance with the PHA administrative plan.

The waiver is available until July 31, 2020.

21. PHA Approval of Assisted Tenancy – When HAP Contract is Executed

The Department is waiving the requirement that the HAP contract may not be executed 60 days after the lease term begins. A PHA may now execute a HAP contract after 60 days after the beginning of a lease and make HAP back to the beginning of the lease term. The HAP contract must be executed no later than 120 days from the beginning of the lease term.

The period of availability to execute the HAP contract after the 60-day term ends on July 31, 2020.

22. Absence from Unit

The Department is waiving the requirement that a voucher family may not be absent from a unit for a period of more than 180 consecutive calendar days. The PHA has discretion whether to continue the HAP contract in this situation and not terminate due to extenuating circumstances (e.g., hospitalization, extended stays at nursing homes, or caring for family members).

The period of availability to continue making these HAP payments despite the family's absence **ends on December 31, 2020**. The PHA may not make payments after this date if the family is absent and the HAP contract will terminate.

23. Automatic Termination of HAP Contract

The Department is waiving the requirement to terminate a HAP contract 180 days after a housing assistance payment is reduced to \$0. This is in recognition

that the COVID-19 emergency may cause the temporary addition of household members which causes the calculation of HAP to reach \$0. As an alternative requirement, the PHA, following a written notice to the owner and family, may extend the period of time following the last payment to the owner that triggers the automatic termination.

The extension beyond the 180 days may not extend beyond December 31, 2020.

24. Increase in Payment Standard under HAP Contract Term

The Department is waiving the requirement that if a payment standard is increased during the term of a HAP contract, the increased payment standard shall not be effective until the family's first regular reexamination. Instead, the increased payment standard may be effective at any time (e.g., interim reexamination, owner rent increase) after the effective date as long as it is not later than then family's first regular reexamination.

This waiver is ends on December 31, 2020.

25. Utility Allowance Schedule – Required Review and Revision

The Department is waiving the requirement to review the schedule of utility allowances and revise the allowance if there has been a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised. PHAs may delay the review and update of utility allowances.

Any review must be completed by no later than December 31, 2020.

26. Homeownership Option – Homeownership Counseling

The Department is waiving briefing and counseling sessions to permit families to purchase a home without fulfilling the normally applicable pre-assistance homeownership counseling requirements, though HUD encourages families to continue the sessions that can be accomplished in accordance with social distancing directives.

This waiver ends on July 31, 2020.

27. Family Unification Program (FUP) Youth Age Eligibility to Enter HAP Contract

The Department is waiving the requirement that FUP youth must be not more than 24 years of age (not yet reached their 25th birthday) and is replacing it with the requirement that FUP youth be not more than 25 years of age (not yet reached their 26th birthday).

This waiver ends on December 31, 2020.

28. Fiscal Closeout of Capital Grant Funds

HUD is waiving the requirement that PHAs submit Actual Development Cost Certificates (ADCC) and Actual Modernization Cost Certifications (AMCC) that fall between March 1, 2020 and September 30, 2020 by six months.

29. Total Development Costs

HUD is waiving the Total Development Cost (TDC) and Housing Construction Cost (HCC) limits to allow the amount of Public Housing funds committed to development of a project to exceed the applicable limits by 25 percent without a waiver from HUD. Amounts in excess of 25 percent and up to 50 percent may be approved on a case-by-case basis. This waiver is applied to public housing development, Mixed-Finance development, and Choice Neighborhoods development.

Any Development Proposals submitted to HUD before December 31, 2021 are eligible for this waiver.

30. Costs and Other Limitations; Types of Labor

HUD will allow non-high performer PHAs to use force account labor for modernization activities even if the use of such activities is not included in the Capital Fund 5-Year Action Plan **through December 31, 2020.**

31. ACOP; Adoption of Tenant Selection Policies

HUD is waiving the requirement that PHA policies in the ACOP must be duly adopted and implemented with formal board approval. However, any informally adopted revisions under this waiver authority must be formally adopted as soon as practicable after June 30, 2020 but not later than July 31, 2020.

32. Community Service and Self-Sufficiency Requirements (CSSR)

HUD is waiving and suspending the CSSR requirement. If a PHA adopts this waiver, a family will remain exempt from the CSSR **until their first reexamination after March 31, 2021.**

33. Energy Audits

HUD is waiving and suspending the requirement to complete energy audits for PHA projects if the audit is due to HUD before December 31, 2020.

34. Over-Income Families

HUD is waiving the requirement that PHAs terminate rental assistance or charge an alternative rent to families whose income exceeds the program maximum over two consecutive reexamination cycles through December 31, 2020. Through this waiver PHAs would be allowed to permit over-income families to remain in their units and pay the same rental amount until that PHA conducts the family's next annual income recertification.

35. Resident Council Elections

HUD will allow PHAs to delay resident council elections beyond the three-year limit, if necessary, through July 31, 2020. Delayed elections must be rescheduled and held **as soon as reasonably possible after July 31, 2020.**

36. Review and Revision of Utility Allowance

HUD is allowing PHAs to delay the review and update of utility allowances. Any review and update of utility allowances that were due at some point in time in CY 2020 **must be completed by the end of 2020.**

37. Tenant Notifications for Changes to Project Rules and Regulations

HUD is waiving the requirement to provide 30-day notices to impacted families for changes to policies, rules, and special charges to families, **except for notices related to tenant charges, through July 31, 2020.**

Although HUD is waiving the advanced notice, PHAs must still provide adequate notification to families within 30 days of making such changes.

38. PHAS (Public Housing Assessment System)

HUD is waiving the inspection requirement of PHAS and postponing physical inspections (except for threat to life or property inspection) for all PHAs until further notice.

HUD will not issue PHAS scores that are pending or for fiscal years ending in 2020 unless a PHA requests a PHAS score. HUD will carry forward the PHAs most recent PHAS score on record.

New PHAS scores will issued by HUD beginning with PHAs that have a fiscal year **end date of March 31, 2021.**

39. SEMAP (Section Eight Management Assessment Program)

HUD will not issue SEMAP scores that are pending or for fiscal years ending in 2020 unless a PHA requests a SEMAP score. HUD will carry forward the PHAs most recent SEMAP score on record.

New SEMAP scores will issued by HUD beginning with PHAs that have a **fiscal year end date of March 31, 2021.**

40. Uniform Financial Reporting Standards; Filing of Financial Reports; Reporting Compliance Dates

Unaudited Financials: Submission of unaudited financials have been extended for six (6) months for PHAs with fiscal year ends of December 31, 2019 and March 31, 2020. December 31, 2019 fiscal year end PHAs now must submit their unaudited financials by August 31, 2020 and March 31, 2020 fiscal year end PHAs now must submit their unaudited financials by November 30, 2020.

Audited Financials: Submission of audited financials have been extended for six (6) months for PHAs with fiscal year ends of June 30, 2019; September 30, 2019; December 31, 2019; and March 31, 2020. June 30, 2019 fiscal year end PHAs now must submit their audited financials by September 30, 2020; September 30, 2019 fiscal year end PHAs now must submit their audited financials by December 31, 2020; December 31, 2019 fiscal year end PHAs now must submit their audited financials by March 31, 2021; and March 31, 2020 fiscal year end PHAs now must submit their audited financials by June 30, 2021.

41. PHA Reporting Requirements on HUD Form 50058

HUD is waiving the requirement that PHAs must submit form HUD-50058 60 calendar days after any action recorded on line 2b for transactions impacted by implemented waivers and alternative requirements. Through December 31, 2020, PHAs will have 90 days to submit their form HUD-50058 after the effective date of action to HUD. Although the waiver provides up to 90 days to submit form HUD-50058, HUD encourages PHAs that have operational capacity to continue submitting form HUD-50058 within the normal 60-day timeframe.

HUD will issue guidance in the near future that will provide PHAs with workarounds to ensure that the delayed submission of form HUD-50058 does not cause any fatal errors in the IMS-PIC system.

42. Designated Housing Plans – HUD 60-Day Notification

HUD is waiving the statutory requirement that HUD must respond to Designated Housing Plans that demonstrate project compliance with requirements to establish occupancy by elderly and/or disabled families no later than 60 days after receiving the plan. Currently, if HUD does not respond within 60 days, the plan is considered accepted.

This waiver would allow HUD more than 60 days to review Designated Housing Plans through July 31, 2020.

43. Extension of Deadline for Programmatic Obligation and Expenditure of Capital Funds

HUD is extending both the Capital Fund obligation end date and the Capital Fund expenditure date for all open Capital Fund grants by one year from the current obligation and expenditure end date. No programmatic expenditure end date shall be extended beyond one month prior to the closure of the relevant appropriation account.