



RENTAL/MORTGAGE ASSISTANCE (RMA) PROGRAM

Funded by:

**CARES Act 2020, CDBG-CV, and the
American Recovery Plan
for**

The City of San Angelo, Texas

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Prepared by

Community & Housing Support Division

Neighborhood & Family Services Department

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RENTAL/MORTGAGE ASSISTANCE (RMA) POLICY

In response to the Coronavirus Aid, Relief, and Economic Security (CARES) Act City of San Angelo will provide much needed relief of rent or mortgage for up to six (6) months, including up to seven (7) months of arrears which is considered the first month of assistance to alleviate the housing burden for low income households that have been impacted by Covid-19 and the economic downturn associated with the pandemic **after March 20, 2020**. At no time can assistance exceed six (6) consecutive months for either rent or mortgage.

Program Goal:

- To alleviate financial pressure for low/moderate income households as the result of the Covid-19 pandemic.
- To provide greater economic security to homeowners and rental property owners.

Eligible Applicants:

- Renters and Homeowners living in City of San Angelo city limits;
- Household Income is at or below 80% of Median Family Income (MFI);
- Lost household income as a result of Covid-19;
- A gap exists between household income prior to Covid-19 and now.

Not Eligible:

- Households with a tenant-based voucher;
- Households residing in Project Based Voucher projects;
- Households residing in Public Housing;
- Households receiving other government-based rental assistance;
- Households residing outside the San Angelo city limits.

Type of Assistance:

Applicants that meet all of the criteria listed above are eligible to apply for an emergency income payment for rent or mortgage principal and interest for a period not to exceed six (6) consecutive months. Any assistance in a given month will count toward the six consecutive month limit. Arrears is considered one month. All payments made on behalf of the applicant will be paid directly to the vendor. Under no circumstance will the payment be made directly to the household.

Program Requirements:

For all applicants:

- Demonstrated need for assistance must be met due to loss of income tied to COVID-19 and the subsequent economic downturn;
- Applicants will be required to complete and submit an RMA application which

will include household income, assets and expenses for the timeframe prior to when the household member (s) were laid off, work hours reduced significantly, or terminated; documentation of rent or mortgage owed; documentation of the relief programs applied for including the history of benefits received or estimated benefits;

- Demonstrated gap between unemployment benefits and regular income;
- Sign and comply with a Declaration of Benefits (DOB) statement and agreement to pay the City back if funding is received from another state, federal or local resource.

For Renter households @ or below 80% of Median Family Income:

- A current lease agreement between the tenant and the landlord showing the amount of rent the tenant pays monthly and
- A statement of good standing prior to 03.20.2020 from the property owner & proof of rent owed via lease

For owner occupied households @ or below 80% of Median Family Income:

- Mortgage Statement showing the amount of Principal and Interest;
- Documentation indicating the amount owed, include arrears.

Review and Approval:

The City will review the contents of the application and may use 3rd party verification methods to document income, assets, and expenses for all applicants. The City will use 1040 Income Determination Method. Expenses provided by the applicant will be analyzed and a cash flow analysis will be prepared for the time prior to Covid-19 when the applicant was laid off to the current time frame. The analysis will be reviewed and signed by the applicant household. The Program Coordinator will approve or deny the assistance and the applicant will be notified of the decision. If denied, the applicant may redress the decision to the Director and if further denied, the applicant may appeal the Director's decision to the City Manager or his designee and will use the following procedure:

- The request for a hearing must be made in writing to the City Manager within 30 days of the date of decision.
- No new information may be presented by the applicant, only clarification of information that was originally provided, which, in the applicant's point of view, may not have presented their complete financial condition.
- The applicant may provide a written explanation to the City Manager or may request a meeting, which may be on Zoom, conference Call or equivalent.
- The City Manager will review the information and make a determination on the appeal. The City Manager will contact the Director of Community & Housing

Support with the decision. The City Manager's decision is final.

General Program Policies

- This program is a one-time assistance program. The household may be assisted for a period of up to six (6) consecutive months, which may include arrears AFTER 03.20.2020.
- Where language barriers exist, efforts shall be made to obtain translation services. If such services are not available, and language barriers prohibit participation in any portion of this program, applicants may receive services despite not participating in that portion of the program;

Staff Policies

- All payments must be made directly to the landlord/financial institution or utility service provider. No payment shall be made directly to the applicant;
- If a tenant lives in an apartment complex, residency must be confirmed with the property management company. Property management must agree in writing not to evict;
- A copy of the applicant's lease/warranty deed must be placed in the applicant's file;
- Rent and/or mortgage statements detailing for which month(s) assistance is owed must be received and placed in the client file prior to submitting payment;
- Documentation of the previous thirty (30) days of household income for clients must be placed in the client file;
- Applicants must provide documentation of income received as a result of any governmental response program due to Covid-19 (such as unemployment compensation);
- Monthly rent or mortgage assistance is capped at the San Angelo, TX HUD Metro Fair Market (FMR) Small Area Rents effective at the time of client intake. Total utility assistance is capped at 25% of the applicable FMR limit at the time of client intake. Rent/mortgage and utility limits are determined and published by HUD and can be reviewed at <https://www.huduser.gov/portal/datasets/fmr.html>.

CDBG Eligibility and National Objective:

This program is eligible for CDBG funding under 570.207(b)(4) and the National Objective is LMI Limited Clientele 570.208(2)(C).

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.