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## City of Lincoln Emergency Rental Assistance Program (ERA) Policies and Procedures

**To apply: [Lincoln.ne.gov/rent](https://lincoln.ne.gov/rent) (fastest) or 402-413-2085**

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## Program Overview

The purpose of the Emergency Rental Assistance Program is to mitigate and assist families and individuals who are suffering a temporary financial setback due to the COVID-19 public health emergency and who need help with residential rent, mortgage or utilities including payments in arrears. Funding for this program has been allocated to the City of Lincoln, Nebraska through four funding sources:

1. HUD’s Community Development Block Grant CARES Act (CDBG-CV, March 27, 2020)
2. HUD’s Emergency Shelter Grant CARES Act (ESG-CV, March 27, 2020)
3. U.S. Dept of Treasury Emergency Rental Assistance (ERA1, Dec. 27, 2020)
- 3.a. U.S. Dept of Treasury Emergency Rental Assistance, Reallocated funds from the State of Nebraska (ERA1, December 30, 2021)
4. U.S. Dept of Treasury American Rescue Plan (ERA2, March 11, 2021)

Funding Source	Amount	Expenditure Deadline	Purpose/Uses
CDBG-CV (CARES Act)	\$795,000	9/30/2022	Rent, mortgage, utility; 80% AMI; 6 months assistance; includes 50% and below AMI not at risk for homelessness
ESG-CV (CARES Act)	\$180,000	9/30/2022	Rent, utility; 50% AMI, 24 months assistance; homeless or near homeless
ERA1	\$13,450,720	9/30/2022	80% AMI; risk of housing instability or homeless.
State of Nebraska ERA1 Reallocation	\$30,000,000	9/30/2022	80% AMI; risk of housing instability or homeless.
ERA2 (ARP)	\$4,089,019	9/30/2025	80% AMI; risk of housing instability or homeless.

The program is called Emergency Rental Assistance although it also included mortgage payments through CDBG-CV funding until the State of Nebraska developed the Nebraska Homeowners Assistance Fund. The Emergency Rental Assistance Program is administered through a contract between the City of Lincoln Urban Development Department and the University of Nebraska-Lincoln (UNL) Center on Children, Families and the Law (CCFL). Program administration occurs through the Lincoln Prevention Common Fund (LPAC) a coordinated entry system administered by CCFL. Its purpose is to provide coordination among Lincoln’s homeless service providers and to provide a seamless application process for individuals experiencing or at risk of homelessness.

The All Doors Lead Home process was already established but was modified and expanded to create LPAC to provide emergency rent, mortgage and utility assistance to those impacted by COVID-19. Although assistance is available through four federal funding programs, applicants are not aware of which program is providing funding. Funding source is determined at the administrative level by CCFL through LPAC depending upon the applicant's income and housing status.

The LPAC Coordination Team includes representatives from the City's Urban Development Department who is the grant recipient on behalf of the City of Lincoln, CCFL, and City Departments including Mayor's Office, Lancaster County, and the Human Rights Commission. The team meets weekly to review application and payment status, discuss cases, and provides overall input into the administration of the ERA program. An LPAC Review Team consists of the UNL-CCFL Coordinated Entry Manager, the City of Lincoln Urban Development Contract Monitor, the City of Lincoln Urban Development Director and Managers. The Review Team considers special circumstances and suspected cases of fraud.

Policies vary somewhat depending upon assistance needed and income, but the procedures are the same for all applicants.

### **Application Process**

An on-line application is at [Lincoln.ne.gov/rent](http://Lincoln.ne.gov/rent) and is available in English, Spanish, Arabic, and Vietnamese. The application is also available to sight impaired applicants. Applications can be taken by telephone at 402-413-2085 and 402-441-4942 and is also available in several languages. Regardless of the application mechanism used, responses are entered into Clarity, a Human Services database shared by partner agencies to provide and track services. After review by CCFL, payments are made by one of two partner agencies: the Lincoln Community Foundation for homeowners and the Nebraska Children and Families Foundation for renters.

Only tenants can apply for assistance. The City of Lincoln did allow landlords to apply on behalf of tenants but discontinued the practice March 22, 2022. The initial purpose of the landlord application on the City's website was to provide a means by which a landlord could initiate, on behalf of their tenant, a rental assistance application; however, it was not being used effectively for the purpose it was intended. Specifically:

- It was not used frequently.
- When it was used, it added little value as most of the information must come from the tenant.
- When tenants did not follow up after a landlord made an application, it frustrated the landlord as there was nothing more that staff processing the application could do.
- The primary users of the landlord application appeared to be scammers and bots. Staff could only verify 15% as legitimate from the landlord applications in February 2022.

- Sorting through incomplete or fake landlord applications diverted needed staff resources on an unproductive task.

This change was included on the City’s website and communicated to landlords in the Real Estate Owners and Managers Association (REOMA) March 2022 newsletter.

## **Eligibility**

Eligible recipients are City of Lincoln residents that are obligated to pay rent or mortgage on a residential dwelling and:

- a. one or more individuals within the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak;

The City of Lincoln ERA program documents that the applicant household has met this qualification by:

- i. unemployment benefit by either a written attestation signed by the applicant or other relevant documentation regarding household member’s qualification or unemployment benefits
  - ii. or experienced a reduction in household income, incurred significant costs or experienced other financial hardship due directly or indirectly to the COVID-19 outbreak by a written attestation signed by the applicant that one or more members of the household meets this condition.
- b. one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability;

The City of Lincoln ERA program will document that the applicant household has met this qualification by:

- i. a past due utility or rent notice or eviction notice
- ii. unsafe or unhealthy living conditions based on HUD’s Housing Quality Standards (HQS)
- iii. any other evidence of risk including:
  - fleeing or attempting to flee domestic violence (documentation from a Domestic Violence assistance provider or self-attestation)
  - Other risk factors may be determined on a case-by-case basis as reviewed by the LPAC Coordination Team and approved by the Urban Development Department Director.

- c. The household has a household income at or below 80% of area median income.

The City of Lincoln ERA program will utilize the HUD definition of “annual income” in 24 CFR 5.609 and will determine household income on either total income for calendar year 2020 or confirmation of the households’ monthly income at time of application and extrapolated over 12 month period. The documentation of annual income include: W-2s or other wage statements, tax filings, bank statements, or attestation from an employer, determination by another local, state or federal government assistance program. When a household’s income is not verifiable due to impact of COVID-19 (employer is closed or payment in cash, or no income) a written attestation from the applicant may be accepted. Written attestation of income must be reverified every three months. In appropriate cases, grantees may rely on an attestation from a caseworker or other professional with knowledge of a household’s circumstances to certify that an applicant’s household income qualifies for assistance.

### **Prioritization**

Prioritization for assistance will be to those households at 50% of AMI or below and to households that have been unemployed for at least 90 days.

Prioritization will take place weekly of all applications submitted that meet eligibility criteria and have all required documentation on file. All applications that meet eligibility and required documentation will be submitted for payment until such time as the submitted application request amount exceeds available ERA funding available.

### **Rent**

The City of Lincoln ERA program will document residency and month(s) of rent and/or rental arrears owed by:

- a. Obtaining current lease signed by the applicant and the landlord that identifies the unit where the applicant resides and establishes the rental payment amount. If a household does not have a signed lease, documentation of residence may include evidence of paying utilities for the residential unit, an attestation by a landlord who can be identified as the verified owner or management agent of the unit, or other reasonable documentation as determined by the grantee. In the absence of a signed lease, evidence of the amount of a rental payment may include bank statements, check stubs, or other documentation that reasonably establishes a pattern of paying rent, a written attestation by a landlord who can be verified as the legitimate owner or management agent of the unit, or other reasonable documentation as determined by LPAC.
- b. Written attestation is acceptable in situations in which the applicant is able to provide evidence of residence but unable to present documentation of the amount of the rental obligation up to 100% of Fair Market Rent.

- c. Rental arrears are not required to obtain assistance but no arrears occurring before March 13<sup>th</sup>, 2020 are eligible. The full payment of arrears is allowed up to the 12-month limit established by the statute. An additional three months of assistance can be provided if the grantee determines that further assistance is necessary to ensure housing stability. An additional three months of assistance beyond the 15 months is available via ERA 2.
- d. Prospective rent payments are limited to three months. A household may receive assistance for prospective rent payments for additional months:
  - i. subject to the availability of remaining funds currently allocated to the grantee, and,
  - ii. based on a subsequent application for additional assistance provided that the total months of assistance provided to the household do not exceed 12 months (plus an additional three months if necessary to ensure housing stability for the household, subject to the availability of funds, and another three months with ERA2.
- e. For CDBG-CV, the amount of assistance is limited to \$4,500 per household including rent only, utilities only, rent and utilities, and rental unit application fees. Requests exceeding \$4,500 may be approved by the Urban Development Department Director on a case-by-case basis. ERA funded assistance has no limitation but will be considered on a case-by-case basis by the LPAC Review Team for requests deemed to be excessive or unusual. The exception is the limitation on late fees, see “Other Expenses Related to Housing,” item d., page 7.
- f. Maximum rent is not to exceed \$2,000 per month.

### **Mortgages**

Requirements are the same as rent except mortgage statements, bank statements, and past due notices, if any, will be required.

### **Utilities**

The City of Lincoln ERA program will provide assistance for utilities and home energy costs related to the occupancy of a rental or homeowner property including electricity, gas, water and sewer, trash removal, and energy costs, such as fuel oil.

- a. All utility payments will be documented and supported by a bill, invoice or evidence of payment to the provider of the utility or home energy service.
- b. Utilities and home energy costs that are covered by the landlord will be treated as rent.
- c. Utility and home energy costs may be provided to households that do not require rental or mortgage assistance.

### **Payments Directly to Tenants**

The City of Lincoln ERA program will in very limited circumstances provide rental assistance directly to a tenant that meets all eligibility and documentation requirements but whose landlord is not willing to participate in the ERA process.

All such cases shall be reviewed by the LPAC Review Team prior to payment disbursement. In all such cases, the tenant shall sign under penalty of perjury an assurance document that the assistance will be applied toward their rent arrears and current rental obligation. In no circumstances will future rent assistance be paid directly to the tenant.

### **Other Expenses Related to Housing**

The City of Lincoln ERA program allows for the payment of other housing related expenses due directly or indirectly to the COVID-19 outbreak.

- a. Payment of relocation expenses and rental fees if the household has been temporarily displaced due to COVID-19.
  - i. Documentation of relocation expenses and rental fees (e.g. application fee, rental deposit, moving truck) are through invoices/bills submitted by the tenant or landlord.
- b. Internet service when those costs are essential for distance learning, telework, telemedicine, or government services.
  - i. Documentation of internet services that meet these criteria are through an internet service provider bill / invoice and affirmation under penalty of perjury that the internet service is used for the specified above eligible uses.
- c. Lot rentals/deposits/fees for trailers
- d. Late fees: **reasonable** accrued late fees (if not included in rental or utility arrears and if incurred due to COVID-19); reasonable is defined as no more than 10% of monthly rent, e.g. if rent is \$600 then the maximum monthly late fee is \$60, if 3 months late on rent of \$600 the maximum late fee would be \$180.
- e. ERA funds are not intended to pay fees and costs associated with initiating eviction actions; however, if circumstances necessitate, attorneys' fees and court costs related to an eviction action can be paid up to \$150 at the discretion and approval of the Director of the Urban Development Department for the City of Lincoln.

## **Record Keeping**

The City of Lincoln ERA program will collect from households and retain on record the following:

- Address of the unit;
- For landlords and utility providers, the name, address, and Social Security number, tax identification number or DUNS number;
- Amount and percentage of monthly rent covered by ERA assistance;
- Amount and percentage of monthly mortgage covered by ERA assistance;
- Amount and percentage of separately stated utility and home energy costs covered by ERA assistance;
- Total amount of each type of assistance provided to each household (i.e., rent, rental arrears, mortgage, mortgage arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing incurred due directly or indirectly to the COVID-19 outbreak);
- Amount of outstanding rental/mortgage arrears for each household;
- Number of months of rental/mortgage payments and number of months of utility or home energy cost payments for which ERA assistance is provided;
- Household income and number of individuals in the household.

## **Duplication of Benefits**

The City of Lincoln ERA program will review household income and sources of assistance to confirm that the ERA assistance does not duplicate any other assistance, including federal, state, or local assistance provided for the same costs. When this is not assured with available data, an attestation from the application regarding non-duplication with other government assistance may be used.

An eligible household that occupies a federally subsidized residential or mixed-use property may receive ERA assistance, provided that ERA funds are not applied to costs that have been or will be reimbursed under any other federal assistance. If an eligible household receives a monthly federal subsidy (e.g., a Housing Choice Voucher, Public Housing, or Project-Based Rental Assistance) and the tenant rent is adjusted according to changes in income, the renter household may receive ERA assistance for the tenant-owned portion of rent or utilities that is not subsidized.

## **Other**

Assistance payments to the Eviction Court in continuance cases.

Assistance to tenants renting from family members that meet all other requirements is allowed with the documentation of the rental obligation and proof of prior rent payments.

## **Policies and Procedures to Prevent Fraud and Abuse**

Policies and procedures address under what circumstances written attestations from the applicant will be accepted without further documentation to determine any aspect of eligibility or the amount of assistance.

LPAC, City/County staff and agencies taking applications during the application and eligibility determination process may flag specific applications for suspected fraud and forward for review to the LPAC Review Team. The LPAC Review Team consists of the UNL-CCFL Coordinated Entry Manager, the City of Lincoln Urban Development Contract Monitor, the City of Lincoln Urban Development Director and Managers. Flagged case criteria include applications in which the lease agreement or rental obligations are not clear, unusual or unlikely situations including common names or other relationships that suggest more than a landlord-tenant relationship, and other particulars that LPAC staff identify warrant of further review. In addition, the following list of items should be considered in the review of applications that initiate a heightened vetting intensity by the initial reviewer and, if unresolved, a flagging of the case for further investigation by the LPAC Review Team.

### Landlord/property items:

- Out of state landlord
- PO Box address
- Leases that do not look original or appear to be tampered with
- New landlords (*landlords that have not been previously vetted by LPAC to receive assistance*)
- Leases from new landlords that do not include 'wet' signatures
- Addresses that do not match owner on County assessor website
- Family to family landlord-tenant relationship
- Any rent over \$2,000 per month. *Automatic flag for approval by UDD*

### Tenant items:

- Contact information that seems questionable, such as odd email address, or phone number
- Name/address discrepancies or oddities within submitted documents and compared to Clarity data
- Family discrepancies in application compared to Clarity data
- Lag in document submission or repeated errors in document submission/omissions by applicant
- Aggressive/threatening communications from an applicant
- Persistent contacts by applicants that have not submitted complete/correct documentation

The Review Team will assess the application and make a recommendation to the LPAC team on status in writing to: proceed, hold or deny. For those applications denied by the Review Team the application will be closed in the Clarity system and notice of denied application provided to applicant. Applications that are suspect are forwarded to Urban Development for referral to the Lincoln Police Department, White Collar Crimes Division, for investigation. No payments will be made for applications under review by the LPAC Team or investigation by LPD, until the review/investigation is complete. Fraud more than \$100,000 will also be reported to Treasury OIG as follows:

- Individual fraud associated with a single IP address, or other linking factor, that collectively exceeds \$100,000 will be reported to Treasury OIG.
- Fraud or schemes involving public officials or employees of the ERA Grantee and/or sub grantee agency will be reported to Treasury OIG regardless of the amount of the fraud.

Urban Development staff will complete the report with assistance from the City Law Department and LPD as needed.

### **LPAC Appeals Process**

For those applications notified of a denial, an appeal of the decision may be made in writing (email) to: Urban Development Department Director, 555 S. 10<sup>th</sup>, STE 205, Lincoln, NE 68508. All appeals will be examined by the Review Team and a determination of upheld or rejected will be made. All decisions by the review team are final and appellants will be notified via writing or email of the Review Team decision by the Urban Development Department Director. In those cases in which the appeal is approved, the Review Team will direct the LPAC team to submit a request for payment to the common fundholder. The appeal document will become a part of the official application record in Clarity for both upheld and rejected appeals.

Updated 3/14/2022