

# Emergency Rental & Mortgage Assistance Program

## Policies and Procedures

### Program Overview

I. **Overview.** The Emergency Rental and Mortgage Assistance Program (“ERMAP”) is a grant program designed to provide temporary, emergency rental and mortgage assistance to qualifying applicants residing within the jurisdiction boundaries of Santa Fe County (the “County”) in response to the COVID-19 Pandemic (the “Pandemic”). The purpose of ERMAP is to assist qualifying households where an adult member of the household has lost employment, been furloughed or has incurred significant reduction in income as a result of the Pandemic, and to provide emergency hotel vouchers to qualifying applicants who have experienced homelessness as a result of the Pandemic. ERMAP is intended to assist qualifying households maintain adequate housing, or gain adequate housing in order to meet the emergency housing needs of the citizens of the County, and in doing so, to additionally provide support to landlords and property management companies who have received a reduction in rent revenue as a result of the Pandemic.

A. **Grant Distribution.** All grants provide through ERMAP will be provided on a “first come, first serve” basis and will be disbursed depending on the availability of funding.

B. **Marketing.** ERMAP will be marketed to the public, as well as to private landlords and property management companies throughout the County to ensure that the greatest number of potential applicants have access to information pertaining to ERMAP and its application process.

C. **Certification of Qualifying Grantees.** All applicants who qualify for and are awarded grant funding through ERMAP shall receive from the County a Certification of Award, verifying their status as an ERMAP grantee.

D. **Tracking, Reporting and Record Management.** The County shall maintain a record of all grantees awarded funding through ERMAP and shall report on all program activity. To achieve accurate reporting, the County shall maintain a master list for all ERMAP applications and awards, as well as maintain client files in accordance with this section.

1. **Master List.** The County shall track all applications submitted for ERMAP assistance on a master list. The list shall include:

- a) Applicant’s name;
- b) Applicant’s address;
- c) Applicant’s household size;
- d) Applicant’s household AMI;
- e) Type of assistance being requested;
- f) Date the application was received;
- g) If the application was complete;

- h) If the application was not approved, justification for denial;
- i) If the application was approved, with approval date;
- j) Amount of funding distributed for past and future payments;
- k) The date each assistance payment was distributed;
- l) The check number for each assistance payment;
- m) Name of the payee provided the assistance payment;
- n) The total amount of financial assistance provided; and
- o) The date the grantee file was closed out.

2. **Client Files.** The County shall maintain digital or hard copy client files for each grantee. The grantee file shall include:

- a) The complete application packet;
- b) A copy of the ERMAP Grant Agreement;
- c) A Certification of Award for ERMAP assistance; and
- d) Copies of financial documents (e.g. invoices, receipts of payments and internal documentation for verifying payment approval).

3. **Reporting.** The County shall provide ERMAP reporting as deemed necessary by the State of New Mexico. The County shall also generate an internal report outlining program demographics, the geographical distribution of grant awards and the overall allocation of program funding.

E. **Misrepresentations and Recapturing of Funds.** Any grantee falsifying or misrepresenting information in their application in a manner that would affect their eligibility status, or who utilize ERMAP funding for unauthorized purposes will be subject to having their funding recaptured.

## **Emergency Rental Assistance**

II. **Emergency Rental Assistance.** Emergency Rental Assistance provided through ERMAP may be awarded to qualifying applicants under the following two (2) conditions.

A. **Delinquency in Rent Payments.** Emergency Rental Assistance may be provided to qualifying grantees who are currently renting a housing unit within the County and are currently delinquent on their rental payment as a result of the Pandemic.

B. **Loss of Housing.** Emergency Rental Assistance may be provided to qualifying grantees who were renting a housing unit within the County as of March 1, 2020, but have subsequently lost their housing as a result of the Pandemic.

C. **Emergency Rental Payments.** Emergency Rental Assistance payments provided through ERMAP may not exceed \$7,500 in total and may vary based on the type of assistance needed.

1. ***Emergency Rental Assistance for Delinquency in Rent Payments.***

Emergency Rental Payments provided as a result of delinquency in rent payments can be used to:

- a) Pay for outstanding rent payments that were incurred after March 1, 2020, in order to prevent future eviction; and
- b) To pay for future months' rent.
  - (1) If a grantee's gross monthly income in relation to their rent payment would cause the grantee's household be cost burdened, the grantee can continue to qualify for rental assistance so long the total amount of Emergency Rental Assistance payments does not exceed \$7,500 in total. For the purposes of this section, cost burdened is defined as having a housing expenditure ratio greater than thirty percent (30%).
  - (2) Should the grantee request Emergency Rental Assistance beyond the initial payment for future months' rent, the grantee must provide continued documentation regarding their income status prior to the disbursement of grant funding for subsequent months.

2. ***Loss of Housing.*** Emergency Rental Assistance payments provided as a result of loss of housing can be used to:

- a) Pay for initial costs associated with signing a new rental lease, including security deposits, first month's rent and last month's rent; and
- b) To pay for future months' rent.
  - (1) If a grantee's gross monthly income in relation to their rent payment would cause the grantee's household be cost burdened, the grantee can continue to qualify for rental assistance so long as the total amount of Emergency Rental Assistance payments do not exceed \$7,500 in total. For the purposes of this section, cost burdened is defined as having a housing expenditure ratio greater than thirty percent (30%).
  - (2) Should the grantee request Emergency Rental Assistance beyond the initial payment for future months' rent, the grantee must provide continued documentation regarding their income status prior to the disbursement of grant funding for subsequent months.

D. **Qualifying Applicants for Rental Assistance.** In order to qualify for Emergency Rental Assistance an applicant must meet the qualifying conditions.

- 1. ***Income Determination.*** The applicant's household gross annual income must be at or below eight percent (80%) of the Area Median Income (AMI) for Santa Fe County. The County will utilize the most recent AMI figures published by the United States Department of Housing and Urban Development ("HUD") to determine the applicable AMI for the applicant's household size.

2. **Income Calculation.** The County shall utilize the HUD approved method for income determination established for HUD's Housing Choice Voucher Program as the basis for income determining income eligibility.

a) Income shall be calculated as the gross monthly household income of the applicant at the time of their application. Income shall include all sources of earned income, including earnings from employment, unemployment benefits, cash assistance (e.g. TANF), child support and educational grants. Assets outlined in *Section 3 – Liquid Assets* shall also be added toward gross monthly income calculations in accordance with that section. All other assets, including investments accounts, retirement accounts, stocks and bonds will not be included in an applicant's income calculation. Income for the next month's payment shall be forecast based on current income levels and shall be updated every proceeding month.

3. **Liquid Assets.** For checking and/or savings accounts, cash balances in excess of \$2,000 will be added towards a household's gross monthly income at a 1/12 ratio. For example, if an applicant has a \$6,000 combined balance between their checking and savings accounts, their cash balance in excess of \$2,000 is \$4,000 ( $\$6,000 - \$2,000 = \$4,000$ ). For the purposes of this calculation, 1/12 of the \$4,000 shall be added towards gross monthly income. In this example, gross monthly income would increase by \$333.33 ( $\$4,000/12 = \$333.33$ ).

4. **Housing Expenditure Ratio.** For emergency rental assistance the housing expenditure ratio shall include:

- a) The monthly rent amount for the applicant's rental unit; and
- b) Utility expenses.

5. **Residency.** An applicant must provide proof of residency, verifying that the applicant was a resident of the County on or before March 1, 2020. Staff will accept lease agreements, utility bills, New Mexico Driver's Licenses, New Mexico Identification Cards and/or other qualifying documentation to determine residency.

6. **Loss of Income.** An applicant must provide documentation indicating that they or an adult member of their household have lost employment, been furloughed or have had their income reduced on or after March 1, 2020.

7. **Delinquency of Rent Payment.** For applicants still residing in their rental unit, the applicant must provide documentation from their landlord indicating their current balance for delinquent rent payments at the time of application.

8. **Loss of Housing.** For applicants who have lost their housing, the applicant must provide documentation verifying that they have lost their housing on or after March 1, 2020. Acceptable documentation may include a notice of foreclosure, an eviction letter, court paperwork or a third party verification letter from a medical provider, caseworker or emergency housing provider. The County may accept self-certification if all other verification methods cannot be obtained.

- E. **Limitations of Emergency Rental Assistance.** An applicant shall not be awarded emergency assistance through ERMAP if:
1. The applicant is currently receiving federal subsidy for housing assistance;
  2. The applicant's outstanding rental balances were incurred prior to March 1, 2020; or
  3. The applicant has lost their housing on or after March 1, 2020, due to lease violations not associated with non-payment of rent or reasons unrelated to being furloughed, having reduced working hours or having lost employment.
- F. **Application Packet.** An application packet for emergency rental assistance must include the following:
1. ***Application Coversheet and Associated Exhibits.*** Applicants are required to complete an ERMAP application coversheet and the following two exhibits.
    - a) Exhibit A – Unit and Utility Information Sheet; and
    - b) Exhibit B – County Vendor Form (*to be filled by landlord*).
  2. ***Proof of Income.*** Applicants must be provided proof of income for all adult members of the household, including:
    - a) Child support documentation;
    - b) Award letter from Social Security;
    - c) Pay stubs (most recent or 3 months, if available);
    - d) Verification of cash assistance (ex. TANF);
    - e) Verification of unemployment benefits; and
    - f) Grants provided for education.
  3. ***Proof of residency.*** Applicants must be provided at least one (1) proof of residency, which may include a:
    - a) Lease agreement;
    - b) Receipt of Rent;
    - c) New Mexico Driver's License; and/or
    - d) Letter from a medical provider, case manager or emergency housing provider, if experiencing homelessness. Self-certification of homelessness is acceptable if all other forms of verification cannot be obtained.
  4. ***Asset Verification.*** Applicants must provide all applicable proof of assets, including but not limited to:
    - a) Most recent checking account statements; and
    - b) Most recent savings account statements;
  5. ***Verification of Furlough or Loss or Reduction in Employment.*** Applicants must provide at least one (1) verification that they have been furloughed, have had a reduction in income or have lost employment on or before March 1, 2020, including a:
    - a) Furlough letter;
    - b) Letter from employer pertaining to reduction in working hours;
    - c) Letter of termination; and/or

d) Self-certification of loss of employment, if the applicant is self-employed.

6. ***Proof of Delinquency in Payment of Rent or Loss of Housing.***

Applicants must provide at least one (1) verification of delinquency on rent payments or verification of having lost their housing on or before March 1, 2020, including:

- a) Notices of delinquency provided by landlord;
- b) Balance statement of delinquent rent payments provided by landlord;
- c) Applicable court paperwork; and/or
- d) Letter from medical provider, caseworker or emergency housing provider, if experiencing homelessness. Self-certification of homelessness is acceptable if all other forms of verification cannot be obtained.

7. ***Grant Agreement.*** Applicants shall sign a grant agreement at the time of their application. The grant agreement shall include language specific to ERMAP funding purposes and limitations, and shall also require the applicant to certify that the information provided in their application is true and correct to the best of their knowledge.

G. ***Method of Payment for Emergency Rental Assistance.*** All Emergency Rental Assistance provided through ERMAP shall be provided directly to the landlord. As such, the landlord must be approved as a County Vendor and must be willing to accept emergency rental assistance payments via check.

## **Emergency Mortgage Assistance**

III. **Emergency Mortgage Assistance.** Emergency Mortgage Assistance provided through ERMAP may be awarded to qualifying grantees who:

- A. Own a home within the County; and
- B. Are currently delinquent on their mortgage payments as a result of the Pandemic.

C. ***Emergency Mortgage Assistance Payments.*** Emergency Mortgage Assistance payments provided through ERMAP may not exceed \$7,500 in total. Emergency Mortgage Assistance payments can be used for the following circumstances.

- 1. ***Delinquent Mortgage Payments.*** Emergency Mortgage Assistance can be used for delinquent mortgage payments that were incurred after March 1, 2020, in order to prevent foreclosure.
- 2. ***Future Mortgage Payments.*** Emergency Mortgage Assistance can be used for future mortgage payments, so long as the total amount of funding provided does not exceed \$7,500. ERMAP funding can only be used for future mortgage payments if the applicant's gross monthly income in relation to their

mortgage payment would cause the household to be cost burdened. For the purposes of this section, cost burdened is defined as having a housing expenditure ratio greater than thirty-three percent (33%).

- a) Should the grantee request Emergency Mortgage Assistance beyond the initial payment for a future month's mortgage payment, the grantee must provide continued documentation regarding their income status prior to the disbursement of grant funding for subsequent months.

**D. Qualifying Applicants for Emergency Mortgage Assistance.** In order to qualify for Emergency Mortgage Assistance an applicant must meet the following conditions.

1. **Income Determination.** The applicant's household gross annual income must be at or below one hundred percent (100%) of the AMI for Santa Fe County. The County will utilize the most recent AMI figures published by HUD to determine the applicable AMI for the applicant's household size.
2. **Income Calculation.** The County shall utilize the County approved method for income calculation identified in the Santa Fe County Resolution 2010-189 (the "Affordable Housing Regulations").
  - a) Income shall be calculated as the gross monthly household income of the applicant at the time of their application. Income shall include all sources of earned income, including earnings from employment, unemployment benefits, cash assistance (e.g. TANF), child support and educational grants. Assets outlined in *Section 3 – Liquid Assets* shall also be added toward gross monthly income calculations in accordance with that section. All other assets, including investments accounts, retirement accounts, stocks and bonds will not be included in an applicant's income calculation. Income for the next month's payment shall be forecast based on current income levels and shall be updated every proceeding month.
3. **Liquid Assets.** For checking and/or savings accounts, cash balances in excess of \$2,000 will be added towards a household's gross monthly income at a 1/12 ratio. For example, if an applicant has a \$6,000 combined balance between their checking and savings accounts, their cash balance in excess of \$2,000 is \$4,000 ( $\$6,000 - \$2,000 = \$4,000$ ). For the purposes of this calculation, 1/12 of the \$4,000 shall be added towards gross monthly income. In this example, gross monthly income would increase by \$333.33 ( $\$4,000/12 = \$333.33$ ).
4. **Housing Expenditure Ratio.** For emergency mortgage assistance the housing expenditure ratio shall include:
  - a) All required monthly mortgage payments for primary and secondary mortgages (if applicable);
  - b) Utility expenses;
  - c) Monthly Homeowners' Association dues;
  - d) Monthly property taxes payment (if applicable); and
  - e) Monthly property insurance payment (if applicable).

5. **Residency.** An applicant must provide proof of residency, verifying that the applicant owns a home within the County on or before March 1, 2020. Suitable forms of documentation include a Warranty Deed, Mortgage Payment Coupon or County Property Tax Bill.
6. **Loss of Income.** An applicant must provide documentation indicating that they or an adult member of their household have lost employment, been furloughed or have had a significant reduction in earnings on or after March 1, 2020. Suitable forms of documentation include a termination letter, furlough letter or third party verification from a current or former employer.
7. **Delinquency of Mortgage Payment.** An applicant must provide documentation from their mortgage lender indicating their current outstanding mortgage balance at the time of application.

E. **Limitation of Emergency Mortgage Assistance.** An applicant shall not be awarded emergency mortgage assistance for delinquent mortgage payments incurred prior to March 1, 2020.

F. **Application Packet.** An application packet for emergency mortgage assistance must include the following:

1. **Application Coversheet and Associated Exhibits.** Applicants are required to complete an ERMAP application coversheet and the following two exhibits.
  - a) Exhibit A – Unit and Utility Information Sheet; and
  - b) Exhibit B – County Vendor Form (*to be filled by mortgage company*).
2. **Proof of Income.** Applicants must be provided proof of income for all adult members of the household, if applicable, including:
  - a) Child support documentation;
  - b) Award letter from Social Security;
  - c) Pay stubs (most recent or 3 months, if available);
  - d) Verification of cash assistance (ex. TANF);
  - e) Verification of unemployment benefits; and
  - f) Grants provided for education.
3. **Proof of residency.** Applicants must provide at least one (1) proof of residency, which may include:
  - a) A copy of Warranty Deed;
  - b) A copy of Mortgage Payment Coupon; or
  - c) A copy of County Property Tax Bill.
4. **Verification of Assets.** Applicants must provide all applicable proof of assets, including but not limited to:
  - a) Most recent checking account statement; and
  - b) Most recent savings account statement;
5. **Verification of Furlough or Loss or Reduction in Employment.** Applicants must provide at least one (1) verification that they have been

furloughed, have had a reduction in income or have lost employment on or before March 1, 2020, including:

- a) Furlough letter;
- b) Letter from employer pertaining to reduction in working hours;
- c) Letter of termination; and
- d) Self-certification of loss of employment, if the applicant is self-employed.

6. ***Proof of Delinquency for Mortgage Payments.*** Applicants must provide verification of delinquency of mortgage payments, including:

- a) Notices of delinquency provided by mortgage lender;
- b) Balance statement provided by mortgage lender; or
- c) Applicable court paperwork, e.g. notice of foreclosure.

7. ***Other Housing Expenses.*** Applicants shall submit additional documentation pertaining to their monthly housing expenses. If applicable, this shall include verification of monthly Homeowners Association dues, monthly property insurance statements, and monthly property tax costs. If property tax and property insurance costs are factored into the primary mortgage, no additional documentation shall be required.

8. ***Grant Agreement.*** Applicants shall sign a grant agreement at the time of their application. The grant agreement shall include language specific to ERMAP funding purposes and limitations, and shall also require the applicant to certify that the information provided in their application is true and correct to the best of their knowledge.

G. **Method of Payment for Emergency Mortgage Assistance.** All emergency mortgage assistance provide through ERMAP shall be provided directly to the mortgage lender. As such, the mortgage lender must be approved as a County Vendor and must be willing to except emergency mortgage assistance payments via check.

## **Financial Assistance for Populations Experiencing Homelessness**

IV. **Contractual Relationships with Emergency Housing Providers.** It is the intent of Santa Fe County to enter into contractual relationships with local emergency housing providers to administer CARES Act funding to populations within the County who are experiencing homelessness. For the purpose of this section, homelessness shall include each of the four categories of homeless as defined by HUD.

A. **Definitions of Homelessness.** CARES Act funding provided by the County to emergency housing providers can be used for each of the following categories of homelessness:

1. *Category 1 – Literally Homeless.* An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - a) Has a primary nighttime residence that is a public or private place not meant for human habitation;
  - b) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotel and motels paid for by charitable organizations or by federal, state and local government programs); or
  - c) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
2. *Category 2 – Imminent Risk of Homelessness.* An individual or family who will imminently lose their primary nighttime residence, provided that:
  - a) Residence will be lost within 14 days of the date of application for homeless assistance;
  - b) No subsequent residence has been identified; and
  - c) The individual or family lacks the resources or support networks needed to obtain other permanent housing.
3. *Category 3 – Homeless under other Federal Statutes.* Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  - a) Are defined as homeless under other listed federal statutes;
  - b) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;
  - c) Have experienced persistent instability as measured by two moves or more during the preceding 60 days; and
  - d) Can be expected to continue in such status for an extended period of time due to special needs or barriers.
4. *Category 4 – Fleeing/Attempting to Flee Domestic Violence.* An individual or family who:
  - a) Is fleeing, or is attempting to flee, domestic violence;
  - b) Has no other residence; and
  - c) Lacks the resources or support networks to obtain other permanent housing.

**B. Non-Congregate Housing.** As was indicated in the grant application for CARES Act Funding, the County has recognized the need for non-congregate housing for individuals and families experiencing homelessness. As a result of the pandemic, occupancy restrictions have been placed on emergency shelters limiting the amount of bed nights these shelters can provide. As such, CARES Act funding for populations experiencing homelessness shall primarily be utilized for providing non-congregate housing in the form of hotel vouchers or short term rental housing.

