



# HUD Waiver Guidance for CoC Projects

COVID-19 Waivers Issued June 30, 2021

Office of Housing and Community Development  
Patrick J. Sullivan, Director

## OVERVIEW

On March 31, 2020, May 22, 2020, September 30, 2020, December 30, 2020, January 7, 2021 and again on March 31, 2021 the U.S. Department of Housing and Urban Development (HUD) issued waivers of regulatory authority available to grantees to alleviate a number of programmatic requirements for Emergency Solutions Grant (ESG) and Continuum of Care (CoC) projects in order to prevent and mitigate the spread of COVID-19.

On June 30, 2021, HUD again issued another notice of waivers relevant to several programs including Continuum of Care (CoC) projects. In large part the purpose of these waivers is to extend effective timeframes of previously-offered waivers.

As grantee for all CoC and ESG projects, the City of New Bedford's Office of Housing and Community Development (OHCD) will file notification with HUD advising them of its intent to utilize these waivers on behalf of its subrecipients. Concurrently, notice with this guidance document is being sent to all participating subrecipient agencies with CoC funding advising them as to the availability of these waivers once the HUD required 48-hour timeframe from OHCD notification to HUD elapses.

Use of any of these waivers by subrecipients are to be undertaken only on an as-needed basis after filing the request to utilize such waiver/s with the OHCD. The use of any/all waivers necessitates that appropriate documentation be maintained in client and agency files indicating rationale for use as further defined in this guidance.

The official notice from HUD released on June 30, 2021 is available at:

[https://www.hud.gov/sites/dfiles/CPD/documents/signed-2021-MegaWaiver-6\\_Final.pdf?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=6f9f331f4b-CPD\\_Memo\\_Avail\\_Addtl\\_Waivers\\_CPD\\_Prevent\\_7\\_1&utm\\_medium=email&utm\\_term=0\\_f32b935a5f-6f9f331f4b-19315745](https://www.hud.gov/sites/dfiles/CPD/documents/signed-2021-MegaWaiver-6_Final.pdf?utm_source=HUD+Exchange+Mailing+List&utm_campaign=6f9f331f4b-CPD_Memo_Avail_Addtl_Waivers_CPD_Prevent_7_1&utm_medium=email&utm_term=0_f32b935a5f-6f9f331f4b-19315745)

Official notices and links for previously-issued waivers issued by HUD are referenced in 2020 guidance issued by the OHCD and available at <https://www.nbhspn.com/nbhspn/wp-content/uploads/2021/01/UPDATED-GUIDANCE-ON-HUD-WAIVERS.4.docx>

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## HUD WAIVERS for COC PROGRAMS<sup>1</sup>

HUD has issued a "Mega-Waiver" opportunity for a number of programs it funds in response to the COVID-19 pandemic. This guidance is intended to provide you with what you need to know about this as it may provide some relief for you with respect to the operation of your CoC program.

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<sup>1</sup> Please note that additional waivers for CoC Programs were previously released in past HUD notices; please be sure to review all CoC Waiver Information discussed within this and all referenced guidance.

The Mega-Waiver is simply an aggregated term identifying a series of multiple separate waivers from some regulatory requirements that grantees may request from HUD to ease and mitigate against the administrative and economic impacts caused by COVID-19. Because the City of New Bedford is the grantee for CoC funding, the city, acting through its Office of Housing & Community Development (OHCD), is the entity that must request the waivers prior to their activation. That said, the OHCD has already notified HUD and is now authorized to utilize the available CoC waivers.

There are twelve available CoC waivers that may continue to be helpful in the midst of this public health crisis:

- **Third Party Documentation of Income.**  
HUD requires CoC programs to keep an income evaluation form (specified by HUD) on file along with one of three types of back up documentation where a program participant pays rent or an occupancy charge in accordance with 24 CFR 578.77, 24 CFR 578.103(a)(7). On September 30, 2020, HUD waived the requirement to attempt to document that third-party verification of income was unobtainable in order for CoC programs to permit a program participants own self-certification of income until December 31, 2020 because that documentation may be difficult to obtain as a result of COVID-19. This waiver, more fully explained in the referenced HUD Notice, is now being extended to **September 30, 2021**.
- **Housing Quality Standards (HQS) – Initial Physical Inspection of Unit.**  
Recipients are required to physically inspect any unit supported with leasing or rental assistance funds to assure the unit meets HQS before any assistance may be provided on behalf of a program participant. The available waiver eliminates the need for a physical initial inspection requirement to help prevent the spread of COVID-19. This waiver, initially made available on March 31, 2020 is now extended to **September 30, 2021** provided subrecipients can meet the following criteria:
  - That the owner certifies they have no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question, and
  - The subrecipient has written policies to physically re-inspect the unit by December 31, 2021.
- **CoC: Suitable Dwelling Size and Housing Quality Standards.**  
Units funded with CoC program funds must have at least one bedroom for each two persons. This requirement is waived for recipients providing Permanent Housing-Rapid Rehousing assistance for leases and occupancy agreements executed by subrecipients between June 30, 2021 and **December 31, 2021**. Assisted units with leases of occupancy agreements signed during the waiver period may have more than two persons for each bedroom until the later of (1) the end of the initial term of the lease agreement or (2) December 31, 2021. REMINDER: Subrecipient agencies are still required to follow State and local occupancy laws.
- **CoC: Assistance Available at Time of Renewal.**  
HUD is waiving its requirement that renewal grant amounts be based on the budget line items in the final year of the grant being renewed for all projects that amend their grant agreements to move funds between budget line items in a project in response to the COVID-19 pandemic between June 30, 2021 and **December 31, 2021**. HUD will consider any grant agreement amendment to move funds between budget line items in response to the COVID-19 pandemic executed between July 1, 2021 and December 31, 2021 as notification to HUD.

- **Permanent Housing Rapid Re-Housing Monthly Case Management.** Subrecipients must require program participants of permanent housing and rapid rehousing projects to meet with a case manager at least monthly. This waiver eliminates the monthly case management requirement and allows subrecipients to provide case management on an as-needed basis to reduce the possible spread and harm of COVID-19. Though initially waived beginning March 31, 2020, this current HUD waiver extends that period **through September 30, 2021**.
- **Fair Market Rent for Individual Units and Leasing Costs.** HUD regulations require that rent payments for individual units with leasing dollars may not exceed Fair Market Rent (FMR). The available waiver means the FMR restriction is waived for any lease executed by a subrecipient providing permanent supportive housing during the period March 31, 2020 **through December 31, 2021**. *Please note that as subrecipient you must still ensure that rent paid for individual units leased with CoC Program leasing dollars meet the rent reasonableness standard in 24 CFR 578.49(b)(2).*
- **One-Year Lease Requirement.** Program participants residing in PSH must be the tenant on a lease for a term of at least one year that is renewable and terminable for cause. The available relief waives the one-year lease requirement for leases executed between March 31, 2020 – **December 31, 2021**) so long as the initial lease term of all leases is for more than one month.
- **Limit on eligible Housing Search and Counseling Services.** CoC Program funds may pay for housing search and counseling services, specifically to services with respect to program participants' debts is limited to the costs of credit counseling, accessing a free personal credit report and resolving personal credit issues in order to help eligible program participants locate, obtain and retain suitable housing. While these are eligible costs, payment of rental or utility arrears is not an eligible cost nor are many supportive service costs related to housing search and counseling activities. The available waiver removes the limitation on eligible housing search and counseling activities so that CoC Program funds may be used for up to 6 months of a program participant's utility arrears and up to 6 months of a program participant's rent arrear when those arrearages make it difficult for them to obtain housing. This waiver would be in effect **until December 31, 2021**.
- **HQS Re-inspection of Units.** At least annually, subrecipients must inspect all units for which leasing or rental assistance funds are used to ensure they continue to meet HQS. The available waiver relaxes the requirement by extending its waiving of the annual re-inspection during the public health crisis **until September 30, 2021**.
- **Homeless Definition – Temporary Stays in Institutions of 90 Days or Less.** HUD's definition of "homeless" includes individuals exiting an institution where he/she stayed for 90 days or less and has resided in an emergency shelter or place not meant for human habitation immediately before entering that institution. Because people are residing in institutions for longer periods of time because of COVID-19, an individual may qualify as homeless under this same section as long as he/she is exiting an institution where they resided for 120 days or less and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution. This continues and will be in effect **until December 31, 2021**.

- **Permanent Housing (CoC) Rapid Re-Housing Limit to 24 Months of Rental Assistance.**  
CoC Program funds may be used to provide short term (up to 3 months) and/or medium term (3-24 months) tenant-based rental assistance. HUD originally waived this requirement on May 22, 2020, but because recipients continue to report program participant challenges affording rent even after receiving 24 months of rental assistance, HUD is extending the offer of waiver flexibility until December 31, 2021, meaning program participants who have reached 24 months of rental assistance during this time and who cannot afford their rent without additional rental assistance are eligible to receive rental assistance **until December 31, 2021.**
- **Disability Documentation for Permanent Supportive Housing (PSH).**  
PSH programs must serve individuals and families where one member of the household has a qualifying disability (though for dedicated projects and DedicatedPlus projects that individual must be the head of household). A waiver first made available from HUD in March 2020 eliminated the requirement to obtain additional confirming evidence. This means a written certification by the individual seeking assistance that they have a qualifying disability will be acceptable documentation approved by HUD under 24 CFR 578.103(a)(4)(B)(5) until December 31, 2021. This supersedes the allowance previously issued whereby an individual could provide a written certification of a qualifying disability until public health officials determine no additional special measures are necessary to prevent the spread of COVID-19.

If you are interested in using one or more of these waivers to assist affected project participants/eligible households to prevent the spread of COVID-19 please complete the required CoC Waiver Request Form and submit it via email to the OHCD office prior to using the waiver.

Please remember, those seeking to utilize the waivers must first provide the OHCD with the completed form indicating what waiver/s you will need for what program just as was the case in the first round of waivers. Once the required CoC Waiver Request Form is completed, it/they may be emailed to [Jose.Maia@newbedford-ma.gov](mailto:Jose.Maia@newbedford-ma.gov). Programs are also expected to maintain all relevant case documentation in your client files justifying the use of the waiver being used.

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Questions relative to this guidance can be directed to the OHCD at 508.979.1500 or via email to staff: [Jennifer.Clarke@newbedford-ma.gov](mailto:Jennifer.Clarke@newbedford-ma.gov) or [Jose.Maia@newbedford-ma.gov](mailto:Jose.Maia@newbedford-ma.gov).