



# Drought Housing Relocation Assistance Program

## Program Guidelines

### **Section 1 - PURPOSE AND SCOPE**

These program guidelines shall establish criteria for relocation and Rental Subsidies as required by Part 1.6, Division 24, Chapter 3, Section 34090 of the California Health and Safety Code (the “Code”), part 2, Division 31, Chapter 6.5, Section 50661 of the Code; and Part 2, Division 31, Chapter 8.5, Section 50716 of the Code, “Drought Housing Relocation Assistance Program.” The purpose of this program is to provide temporary assistance for persons moving from their Current Residence, which lacks reasonable access to Potable Water resulting from the drought for which the Governor declared a state of emergency on January 17, 2014, via Executive Order B-29, dated April 1, 2015. The program will provide appropriate temporary assistance as defined in these guidelines. The program may also utilize available funds to leverage or complement Other Rental Housing Subsidy Programs providing temporary assistance to qualifying households.

### **Section 2 - PROGRAM SUMMARY**

This drought relief program was developed to allow those tenants and homeowners that meet program guideline eligibility requirements the ability to relocate and receive rental assistance for 12 months.

Counties may request, through a Letter of Interest, to become the Sponsor of this program for their jurisdiction and select Providers to administer eligible program activities. In counties where a Sponsor has not been identified, Providers can apply through a Notice of Funding Availability (NOFA) and Application process. If a Sponsor and Provider have not been identified to serve a county, the Department will administer the program.

Providers will administer and carry out eligible program activities. This includes locating suitable housing and working with landlords to mitigate barriers that may prevent access to housing.

Outreach and connecting with households in each community affected is crucial. Providers will be expected to implement an active outreach program to connect with and make all communities in their jurisdiction aware of this program. A Provider may choose to request the assistance of outside outreach service providers, including, but not limited to, California Volunteers, AmeriCorps, and local community organizations.

### Section 3 – DEFINITIONS

“Applicant” means any qualified local government agency or nonprofit corporation that has submitted a response to the Notice of Funding Availability.

“Appropriately Sized Unit” means a rental unit that the Provider has determined to be suitable considering the number/gender of people in the household and the number of bedrooms in the Replacement Rental Unit.

“Current Provider” means the Provider in the county in which the Current Residence is located, if the household moves to another county.

“Current Residence” means the unit the Eligible Household resides in at the time of application for funding. Assistance may only be provided once per residence unless the unit is overcrowded. Each Current Residence, even if it shares one legal parcel with other residences, is eligible for assistance. Each Current Residence may contain more than one Eligible Household. Each Eligible Household is eligible to receive DHRA funds.

“Department” means the State of California, Department of Housing and Community Development.

“Eligible Household” is defined as:

- a) A household with an income less than one hundred twenty (120) percent of Area Median Income adjusted for household size, as certified by the Eligible Household under penalty of perjury and subject to verification by Department personnel as part of compliance monitoring. This income limit is found here: <http://www.hcd.ca.gov/financial-assistance/docs/2015-120-AMI-Limits.pdf>.
- b) The Provider must verify that the Eligible Household’s Current Residence is served by a private well or water utility with less than 15 connections that is running out of an adequate supply of Potable Water. The lack of an adequate supply of Potable Water must reasonably be believed to be caused by drought conditions, as verified by the County Office of Emergency Services, Department of County Public Health, or other appropriate County office, or if the County does not respond to a request for verification, a qualified third-party expert hired by the Provider.
- c) All reasonable attempts to find a permanent, Potable Water source connected to the plumbing system of the residence within a reasonable amount of time, must have been exhausted, as verified by the County Office of Emergency Services, Department of Public Health, other appropriate County office, or if the County does not respond to a request for verification, a qualified third-party expert hired by the Provider.

d) In addition to verifying all reasonable attempts to find a permanent, Potable Water source, the Provider shall verify the feasibility of the following alternatives, in a reasonable period of time, to relocating Eligible Households: connecting to a nearby water system or functioning well, obtaining a temporary water tank connected to the unit's plumbing system with reasonable access to affordable Potable Water deliveries and repairing or replacing the existing well.

e) Notwithstanding subsections (b), (c), and (d) of "Eligible Households", if there is a widespread failure of wells or water systems in a neighborhood, media reports, government agency staff reports, emergency declarations, or other similar published materials are acceptable forms of verification.

f) To prevent an Eligible Household being served more than once, the Provider, or if there is no Provider, the State, shall verify Current Residence by obtaining a utility bill, driver's license, or similar documentation showing the Eligible Household lives in the Current Residence.

"Housing Habitability Standards" means the HPRP Housing Habitability Standards published by the U.S. Department of Housing and Urban Development, found at: [HPRP Housing Habitability Standards Inspection Checklist - HUD Exchange](#)

"Letter of Interest" means a request from a letter from a county, notifying the Department of their intention to apply for DHRA funding.

"Moving Cost Allowance" means the Fixed Residential Moving Cost Schedule established under the Federal Uniform Relocation Act, found at: [http://www.fhwa.dot.gov/real\\_estate/uniform\\_act/relocation/moving\\_cost\\_schedule.cfm](http://www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm). The Moving Cost Allowance is available for the move from the Current Residence to the Replacement Rental Unit, and may, with Department approval and subject to the availability of funds, be made available to move back into the Current Residence if the unit has Potable Water.

"Net Housing Cost" means the total of mortgage payment, property insurance, and property taxes at the Current Residence for homeowners receiving assistance.

"Net Rent" means the difference between the payment to the rental property owner and the Utility Allowance for the Replacement Rental Unit.

"New Provider" means the Provider in the county in which the Replacement Rental Unit is located if the household moves to another county.

“NOFA” is the Department’s Notice of Funding Availability. The NOFA will be issued after the Department has accepted the Letter of Interest from interested counties. The NOFA will announce the opportunity for potential Providers to apply directly to the Department for counties for which the Department has received no Letter of Interest or Reservation Request.

“Other Rental Housing Subsidy Program” means a program, other than the Drought Housing Relocation Program, that provides rent subsidies to Eligible Households. Other Rental Housing Subsidy Programs may assist households identified by the Department as drought-impacted, but may otherwise operate according to their normal requirements, and are not subject to these guidelines. Other Rental Housing Subsidy Programs include, but are not limited to, the HOME Tenant-Based Rental Assistance program.

“Payment Standard” means the Fair Market Rent (FMR), as established by the U.S. Department of Housing and Urban Development for the Appropriately Sized rental unit multiplied times 1.1. Providers may request advance Department approval to multiply the FMR by up to 1.2 if acceptable documentation is submitted to the Department showing that the higher rent is needed for Eligible Households to secure Replacement Rental Units. The Department may also use the 1.2 factor if it makes a finding that the higher rent is needed for Eligible Households to secure Replacement Rental Units. The FMR can be found here: <http://www.hcd.ca.gov/financial-assistance/home-investment-partnerships-program/docs/home-rent-limits-2015-effective%206-1-2015.pdf>. The Payment Standard is limited to the regulated rent in a government regulated housing unit.

“Potable Water” means a permanent supply of safe and drinkable running water to plumbing fixtures in a dwelling unit.

“Provider” means one or more Applicants who receive DHRA funding, to distribute on behalf of drought affected persons and households. All Providers must demonstrate experience administering emergency disaster and/or rental subsidy programs in each county to be assisted by the Provider using Program funds, such as Veterans Affairs and Supportive Housing Program (VASH), Rapid Rehousing, Homelessness Prevention and Rapid Rehousing Program (HPRP), Housing Choice Voucher, HOME Tenant-Based Rental Assistance, or similar programs. All Provider responsibilities are listed in Section 6 of these Guidelines.

If the proposed Replacement Rental Unit is located in a different county than the Current Residence, the “New Provider” or if there is no Provider, the Department, serving the county of the Replacement Rental Unit must provide assistance to the

Eligible Household using funding allocated to it by the State. The Current Provider must fulfil the following responsibilities identified for the Provider in Section 6: items 1 through 5, for item 7 the rent and Utility Allowance for the Current Residence, and items 10, 11, 12 and 13. The Department will execute one amendment to the Current Provider's Standard Agreement to cover the actual, reasonable, administrative costs for these duties for all households who move from the Current Provider's county to another county. The reimbursement will be reduced by the Administrative fee resulting from multiplying 15% times the moving allowance paid to the participating Household.

"Rental Subsidies" means the difference in Net Rent at the Eligible Household's Current Residence and the Replacement Housing Unit, provided that the rent paid to the property owner plus the Utility Allowance does not exceed the Payment Standard. Rent Subsidies includes mandatory last month's rent and security deposits. Rental Subsidies must be paid by the Provider to the property owner or designated agent. If acceptable documentation per Section 10 of these guidelines is not available, the Provider, or if there is no Provider, the State, shall assume that Net Rent is the comparable market rent for a similar property, with Potable Water, less the Utility Allowance.

"Rental Subsidies for Homeowners" means the difference between 35% of the homeowner's income and the total of the Net Rent and the Net Housing Cost. Income shall be documented by a certified copy of the most recent federal income tax return.

"Replacement Rental Unit" means a rental unit that meets Housing Habitability Standards that will house an Eligible Household. The Replacement Rental Unit must have Potable Water, and must be located in the State of California.

"Reservation Request" means a written request by a County to reserve eligibility to submit a Letter of Interest at a later date. The date shall be established in the Department's notice inviting Letters of Interest. If, after the designated date has passed, no Letter of Interest has been submitted to the Department, the NOFA will be amended to allow potential Providers to apply directly to the Department to apply to serve those counties.

"Sponsor" means a County that has applied through a Letter of Interest. To qualify as a Sponsor, the County must select the Provider, establish the priority order in which Eligible Households will be served, and address the requirements of Section 12 of these guidelines. The Sponsor must also have an advisory committee composed of representatives from local emergency service, social service, and housing organizations. The Sponsor must also cooperate with the Provider in evaluating the water issues identified in the definition of Eligible Households. Administrative funding will only be given to Providers. However, the Sponsor may select itself, the County, as the Provider.

“Utility Allowance” means the allowance for tenant-paid utilities established for the Housing Choice Voucher Program by the local housing authority.

#### **Section 4 - RENTAL SUBSIDIES**

The term of assistance per household is twelve (12) months.

#### **Section 5 – FUNDING AMOUNTS PER PROVIDER**

The Sponsor, or if there is no Sponsor, the Provider, may request funding up to \$1 million at a time. The minimum amount that can be requested is \$150,000. The Sponsor or Provider must provide information, acceptable to the Department, that there is sufficient need for the requested funding level as documented by a letter from the county agency responsible for overseeing drought response efforts. Such information may include, but is not limited to, the number of residential dry wells, the number of households that have requested funding to move, and the extent to which alternative solutions are available or other factors determined necessary by the department. Subject to verification by the Office of Emergency Services (CalOES) and in comparison to the need identified in other requests, the State may partially or fully fund the request. Sponsors or Providers may request funding multiple times if each time they can demonstrate that additional funding is needed and that DHRS funds will be spent on a timely basis. The Sponsor or Provider must provide an updated estimate of the number of dry wells, and information showing a reasonable level of DHRA expenditures. The Department will also consider the results of its monitoring of the Provider’s DHRA activities.

#### **Section 6 – SPONSOR AND PROVIDER RESPONSIBILITIES**

The Sponsor is responsible for the following activities:

- 1) Selecting the Provider. The Sponsor should make sure that the Provider has the capacity specified in the “Provider” definition in Section 3 of these Guidelines and will fulfil all of the Provider responsibilities summarized in this Section of these Guidelines.
- 2) Establish the priority order in which Eligible Households will be served as described in Section 9.
- 3) Have an advisory committee as described in the Sponsor definition in Section 3.
- 4) As described in Section 12, explain their efforts toward Resiliency Planning.
- 5) Submit their “Letter of Interest” application in response to the Department’s invitation.
- 6) Cooperate with the Provider in evaluating the water issues described in the definition of “Eligible Household” in Section 3, specifically items (b), (c), and (d).

The Provider is responsible for the following activities:

- 1) As described in Section 2 and 15 of these Guidelines, conduct an outreach program in the appropriate language. Consider requesting the assistance of outside outreach service Providers.
- 2) Locate suitable housing and work with landlords to mitigate barriers that may prevent access to housing.
- 3) Using the priority factors established by the Sponsor or the Department, prioritize applications.
- 4) As described in the definition of “Eligible Household” in Section 3, and using the eligibility intake form and self-certification described in Section 10, make a determination that the household meets all “Eligible Household” requirements.
- 5) As described in the definition of “Moving Cost Allowance” in Section 3, identify the appropriate payment and make the payment to the Eligible Household. No documentation of actual moving costs is required.
- 6) As described in the definition of “Housing Habitability Standards” in Section 3, inspect the Replacement Rental Unit to determine if it meets these standards.
- 7) As described in the definitions for these terms in Section 3, and after obtaining the documentation of rent paid at their Current Residence as described in Section 10 (or if such documentation is not available, the comparable market rent method described in the definition of Rental Subsidies in Section 3), calculate the Net Rent, the Payment Standard, the Rental Subsidies, the Utility Allowance, and if appropriate the Net Housing Cost and Rental Subsidies for Homeowners.
- 8) Execute appropriate legal documents between the Provider and the owner or management agent for the Replacement Housing Unit to document the expenditure of DHRA funds.
- 9) Make regular, timely, payments of Rental Subsidies directly to the owner or management agent for the Replacement Rental Unit.
- 10) As described in Section 13, maintain accurate financial and demographic records. Request reimbursement monthly.
- 11) As described in Section 14, Provider shall not unlawfully discriminate against members of the listed categories.
- 12) As described in Section 16, offer due process and appeal rights to applicants and participants per their Due Process procedures. Follow these procedures.

13) As described in Section 11, report to the Department on the status of each assisted household.

### **Section 7 - ADMINISTRATIVE FUNDS**

No more than 15 percent of the grant award may be used by the Provider for administration and implementation costs, which include general management, oversight, coordination, reporting, third-party consulting fees, indirect costs, and staff and overhead costs directly related to carrying out the project.

Funds may be used to supplement reasonable costs, as determined by the Department, of administering Other Rental Subsidy programs. The amount of DHRS funds used for this purpose may not exceed ten (10) percent of the rental assistance funds provided on behalf of the tenant by the other rental subsidy program.

### **Section 8- GRANT SELECTION**

If a County accepts Sponsor responsibilities, the Sponsor will select the Provider(s) to operate the program. The Sponsor may select one Provider or nominate multiple acceptable Providers, in which case the State will select the Provider. If a County has an initial allocation of at least \$500,000, it may select two Providers. Each Provider must be restricted to a specific geographic area. For all counties where the County has not accepted the Sponsor role, the Department may administer the program directly or issue one or more NOFAs. If a NOFA is issued, funds will be awarded to the most qualified Applicant(s) based on ability to perform the required services, qualifications to administer the program, including appropriate staffing, past performance of successful completion of similar work, ability to immediately begin the program, and experience administering emergency disaster and rental subsidy programs. The Department will also utilize these factors to select the Provider(s) if the Sponsor nominates multiple acceptable Providers.

### **Section 9 – PRIORITY OF ELIGIBLE HOUSEHOLDS TO BE ASSISTED**

Except as noted below, these priority factors shall be considered in selecting Eligible Households to be assisted: lower income; physical ability to transport bottled or tank water; disability; infants or younger children; seniors; limited access to transportation; length of water outage; effect of water unavailability on employment. Sponsors shall either include these priority factors or explain why they have not been included. Sponsors may propose additional priority factors for the Department's consideration. Sponsors may request Department approval to change these factors from time to time.

If the County does not accept Sponsor responsibilities, the Department shall specify these factors in the NOFA. The Department may also add additional, related, factors.

If the Department operates the program directly, it will use these factors in selecting Eligible Households to be selected. The Department may add additional, related, factors.



## **Section 10 - DOCUMENTATION REQUIREMENTS**

Households seeking assistance must complete eligibility intake on a form provided by the Department, providing all of the information necessary for the Provider to determine eligibility per the definition of Eligible Household, as well as any requested demographic data as needed for the Department to complete reports for the Governor's office and the Legislature that may be required. The household seeking assistance shall self-certify under penalty of perjury that all information is correct and that they will notify Provider of any changes. The certification must also state that the information on the form is subject to verification by state personnel as part of compliance monitoring.

Households seeking assistance must also provide acceptable documentation of the amount of rent paid at their Current Residence for the previous three (3) months, or for homeowners, the amount paid for Net Housing Costs. Such documentation could include, but is not limited to: rental agreement, receipts, or cancelled checks. The Provider may request advance Department approval of alternative documentation methods.

## **Section 11 – ADVANCE AND REPORTING REQUIREMENTS**

Upon execution of a contract between the Department and a Provider, a one-time cash advance of up to three (3) months for rental, moving assistance and administrative fees will be allowed. The advance must be requested within 60 days of contract execution with mandatory monthly reimbursement requests thereafter. The Provider(s) shall report actual expenses to the Department monthly on forms prescribed by the Department.

The Provider shall also report to the Department on the status of each assisted Household once they have occupied the Replacement Rental unit for six (6) months. This status report must address the household's proximity to employment, adjustment to the new neighborhood, and their housing plans once rental assistance expires after 12 total months.

## **Section 12 – RESILIENCY PLANNING**

Sponsors must explain to the Department's satisfaction their plans to address the dry well problem to minimize the re-occurrence of people living in residences with dry wells. For example, the Sponsor could describe its efforts in getting rental property owners to obtain water prior to renting out the units again, its efforts in planning for resilient water sources or consolidated water systems not susceptible to being impacted by future droughts, and/or its efforts at encouraging water conservation or leak prevention.

## **Section 13 - AVAILABILITY AND CONTENT OF RECORDS**

The Provider(s) shall maintain accurate financial and demographic records that, at a minimum, include the grant agreement with the Department; any third party contracts/subrecipient agreements; documentation substantiating eligibility (income and

drought tie-in) of the Eligible Household; characteristics and location of the Eligible Households; compliance with special program requirements; budget and expenditure information (including draw requests and amounts awarded to each household); and the status of the program and Eligible Household. Records must detail and track all transactions which relate to the grant, and shall be available to the Department for review on request.

The Provider(s) shall make their records, administrative offices, and personnel, whether full-time, part-time, consultants or volunteers, pertaining to this program, available to the Department upon request. The Department may conduct visits before, during, or after disbursement of any grant funds.

#### **Section 14 - NONDISCRIMINATION**

During the performance of this Agreement, the Provider and any subcontractors shall not unlawfully discriminate, harass, or allow harassment against any applicant because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), sexual orientation, familial or marital status.

#### **Section 15 – Outreach to Multilingual Populations**

The Provider shall offer outreach materials in the appropriate language for multilingual populations that may be negatively affected by the drought, and which may qualify for the DHRA program.

#### **Section 16 – Due Process**

The Provider shall submit its due process and appeal procedures, which describe the process by which individual applications for assistance, who are denied assistance, and assisted households who file a complaint, may appeal the Provider's decision. The process must be specific to the DHRA program.