



# COVID-19 CDBG-CV EMERGENCY MORTGAGE PROGRAM GUIDELINES

Administered By: City of Cape Coral Department of Community Development  
Funding provided by the US Department of Housing and Urban Development (HUD)

Contents

Program Guidelines..... 2
Program funding ..... 2
Eligible use of CDBG-CV Funds..... 2
Program Description ..... 2
CDBG Eligibility and National Objective..... 3
Environmental Review Requirement ..... 3
Program Administration ..... 3
Program Marketing and Outreach..... 3
Applicant Eligibility..... 3
Eligibility Determination ..... 4
Property Eligibility..... 4
Mortgage Assistance Property Eligibility ..... 4
Income Eligibility..... 4
Annual Income Definition and Documentation ..... 4
Annual Income Limits..... 5
Documenting Economic Impact during COVID-19 pandemic period..... 6
Availability of Applications..... 6
Program Participation Agreement..... 6
Documentation of Outstanding Balances ..... 6
Intake and Assessment Process ..... 6
Appeals..... 7
Duplication of Benefits..... 7
False Claims..... 7
Florida Public Records Laws..... 7
Non-Discrimination ..... 7
Conflict of Interest ..... 8
Program Guideline Changes or Modifications ..... 8
Frequently Asked Questions ..... 9

## Program Guidelines

### Program funding

The City of Cape Coral receives an annual allocation of federal funds called Community Development Block Grant (CDBG) from the US Department of Housing and Urban Development (HUD). The CDBG program is administered by the Department of Community Development.

In April of 2020, the City received a special allocation of CDBG funds to be used to prevent, prepare for, and respond to the coronavirus (COVID 19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act, (CARES Act), Public Law 116 -136, which was signed by the President on March 27, 2020, to respond to the growing effects of this historic public health crisis. The City has set aside \$993,605 in funding to assist with mortgage payments.

The CDBG primary national objective is to benefit low- and moderate-income (LMI) persons. LMI is defined as 80 percent of the county median income, adjusted by household size. In limited cases, CDBG funds may be used to alleviate qualifying urgent needs. LMI persons receive assistance through local programs and activities funded with a state CDBG grant. Based on the CARES Act, the purpose of CDBG COVID-19 (CDBG-CV) funding is **to prevent, prepare for, and respond to the coronavirus pandemic**.

### Eligible use of CDBG-CV Funds

CDBG-CV funds can be used for emergency mortgage payments on behalf of income-eligible individuals and families economically impacted by the COVID-19 pandemic. Monthly mortgage assistance is provided for a period of up to six (6) consecutive months through direct payment to a bona fide entity servicing the mortgage on behalf of the individual or family and/or to pay down mortgage arrear(s) within six (6) consecutive months to be addressed. Also, CDBG-CV funds can be used for program implementation costs such as direct personnel and non-personnel costs.

This activity is a public service activity under the CDBG program regulations at 24 CFR 570.201(e) as allowed pursuant to 24 CFR 570.207(b)(4) that provides emergency grant payments made over a period of up to three (3) consecutive months directly to the provider of the housing. *However, HUD waived an alternative requirement to provide emergency payments up to six (6) consecutive months.* The activity is further regulated pursuant to 24 CFR 570.208(a)(2)(i)(B) whereby applicants shall supply information on family size and income to qualify.

### Program Description

The City's program will provide mortgage assistance grants to income-eligible individuals and families economically impacted during the COVID-19 pandemic through job loss, furlough or reduction in hours or pay, residing in the City of Cape Coral.

The emergency grants are made on behalf of an income- eligible applicant for a maximum of six months to maintain housing and/or to reduce mortgage delinquency in arrears and/or reduce risk of homelessness as a result of the economic downturn during the COVID-19 pandemic.

### 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 570-483(b)(2)(ii)(B).

### Environmental Review Requirement

This program is considered to be classified as 24 CFR 58.35(b)(2) a Categorical Exclusion Not Subject to 58.5.

### Program Administration

The Department of Community Development on behalf of the City of Cape Coral, will be the administering department responsible for the local subsistence payment program, maintaining required records, and ensuring compliance with CDBG state and federal requirements.

### Program Marketing and Outreach

Program marketing and outreach will be coordinated through the City's Communication Team. Once the staffing and resources are in place to manage application processing and eligibility verification, Staff will launch a citywide awareness campaign. This campaign will promote the availability of assistance for Cape Coral residents to address needs that correlate with the pandemic. We anticipate launching the campaign by March 1, 2021.

Community outreach will include:

- Multiple press releases (initial and reminders)
- Media interviews
- Visible announcement on the City's website
- Social media posts
- An announcement on the City's electronic message board
- Information in "In the Move" quarterly newsletter
- Direct email to subscribers who have selected to receive City Announcements
- Messaging with other organizations such as faith based groups and nonprofits

Marketing and outreach shall facilitate fair access and transparency. Information for applicants shall include any necessary pandemic related disclosures and social distancing requirements.

To facilitate meaningful access to program participation for Limited English Proficiency persons, all program marketing intended for the public shall be in accordance with the City's current Limited English Proficiency Plan.

### Applicant Eligibility

Applicant's eligibility for the program shall be determined upon submission of a completed Program Application with all required information and documents.

To be eligible for assistance, an applicant must:

- Reside within the City of Cape Coral

- Have a current annual household income that does not exceed the U.S. Department of Housing and Urban Development (HUD) established “Moderate-Income” limits for Lee County. Household income eligibility is based on the following two (2) factors:
  - The total number of people residing in the housing unit; and
  - The total amount of current annual household income as stated in the Program Application and confirmed by supporting documentation.
- Have experienced an economic impact because of the COVID-19 pandemic (job loss, furlough or reduction in hours or pay).
- Have a current mortgage agreement for a housing unit in the City of Cape Coral.
- Submit evidence of the current mortgage balance (for arrear(s) payment) and that the program will bring the account current.
- Certify on the Program Application that the applicant has neither received nor will seek other sources of assistance from any private, local, state, or federal funding source for the same requested mortgage assistance.
- Submit a W-9 from mortgage company. Failure to submit the W-9 will result in the inability to pay and will deem the applicant ineligible.

## Eligibility Determination

### Property Eligibility

#### Mortgage Assistance Property Eligibility

The property must be in the City of Cape Coral.

The property must be the primary residence of the applicant as evidenced by homestead exemption. Second homes and homes without homestead exemption are ineligible.

Properties located in the special flood hazard area must have flood insurance.

Properties must have hazard insurance.

Property value may not exceed \$294,601.

### Income Eligibility

#### Annual Income Definition and Documentation

All household members are considered members of the household for the purpose of determining income eligibility. For the purpose of this program, the guidance in the HOME regulations at 24 CFR 92.203(d)(1) states that “Annual Income shall include income from all persons in the household”. The following are considered the household members:

- All adults, whether they are related or not;
- All children (including those living in the household and those that have been adopted) who live in the household full time, and those that will live in the household fifty percent of the time or more due to shared/joint custody; and

- Any temporarily absent household member (those living away from the household) such as active duty military, seasonal workers, students living away at school, etc.

Therefore, household members information must include, at a minimum, the following:

1. Full names and ages of all household members living in the residence; and
2. Signature of all adult household members age 18 or over, certifying that the information provided related to the annual household income and household composition.

To determine household income for all applicants, the City will use the annual income definition as defined by HUD at 24 CFR 5.609 (commonly referred to as Part 5). The City will use the Part 5 method to calculate the annual income by projected the prevailing rate of income of the household for the next 12-month period as measured from the date that the City performs the income determination.

This program is classified under the Limited Clientele National Objective of the CDBG Program at 24 CFR 570.208(a)(2), whereby a verifiable self-certification form is permitted by HUD to document that individuals and families receiving assistance are low-or moderate-income. A verifiable self- certification shall be collected and evaluated with each Program Application. The self-certification shall be verified for all applicants receiving assistance at the time of application, except that upon recommendation by program staff, the Departments Director or his designee shall have the authority to waive submission of source documentation on a case-by-case basis. However, in no event shall fewer than 51 percent of all assisted applicant files contain only the verifiable self-certification without supporting documentation to verify the amounts of income listed on the Program Application.

#### Annual Income Limits

Each applicant will need to provide verifiable documentation to support the applicant’s stated income. The income limits for the program are as follows and are subject to change:

**2020 Income Limits Adjusted to Family Size**  
**City of Cape Coral-Florida**  
**Metropolitan Statistical Area- Cape Coral-Fort Myers-FL**  
**Lee County, Florida**  
**Community Development Block Grant (CDBG)**

	Number of Persons in Household							
	1	2	3	4	5	6	7	8
<b>30% of AMI</b>	\$ 14,500.00	\$ 17,240.00	\$ 21,720.00	\$ 26,200.00	\$ 30,680.00	\$ 35,160.00	\$ 39,640.00	\$ 44,120.00
<b>50% of AMI</b>	\$ 24,150.00	\$ 27,600.00	\$ 31,050.00	\$ 34,450.00	\$ 37,250.00	\$ 40,000.00	\$ 42,750.00	\$ 45,500.00
<b>80% of AMI</b>	\$ 38,600.00	\$ 44,100.00	\$ 49,600.00	\$ 55,100.00	\$ 59,550.00	\$ 63,950.00	\$ 68,350.00	\$ 72,750.00

Median Family Income Effective April 1, 2020 \$68,700

### Documenting Economic Impact during COVID-19 pandemic period

Applicants must submit documentation confirming negative economic impact during the COVID- 19 pandemic period. Monthly income in January and February of 2020 shall be compared to monthly income from March 1, 2020 forward. Documentation shall be in the form of a self-certification from the impacted household member. Other acceptable documentation of negative economic impact shall include:

- A copy of household member(s) notification of job loss/termination from employer during the eligible pandemic period (March 1, 2020 to present); or
- A copy of household member(s) notification of furlough from employer during the eligible pandemic period (March 1, 2020 to present); or
- A copy of household member(s) notification or employer signed form confirming reduction in hours and/or pay during the eligible pandemic period (March 1, 2020 to present); or
- A copy of household member(s) application during the eligible pandemic period (March 1, 2020 to present) and/or approval for unemployment insurance benefits;
- A notarized affidavit signed that includes the name of the family member who is self-employed, the name and nature of the business, and narrative confirming economic impact on self-employment during eligible pandemic period (March 1, 2020 to present); or
- Other appropriate documentation acceptable to the City.

### Availability of Applications

The City of Cape Coral shall make application forms available on a rolling basis with application windows. The first application window will be from March 15, 2021 to March 26, 2021. Applications will be available on the City website (for printing at home).

### Program Participation Agreement

Applicants shall sign and return a Program Participation Agreement with their application. If selected to receive program assistance, the City will execute the Program Participation Agreement.

### Documentation of Outstanding Balances

Applicants for mortgage assistance must provide the most recent mortgage statement that clearly shows the outstanding balance owed.

### Intake and Assessment Process

Funding is limited. Therefore, applications will be accepted on a first-ready, first-served basis. Program staff will review applications upon receipt the application in the order they are received. If an application is incomplete, the applicant shall be notified by phone and by mail and given ten (10) calendar days after the date of the first notification by phone or the date of the letter to submit the information. Applicants that fail to respond within ten (10) calendar days shall be denied assistance.

All applications shall be mailed or delivered to:

By Mail:	In-Person:
<b>City of Cape Coral</b> <b>Department of Community Development –</b> <b>Planning Division</b> <b>PO Box 150027</b> <b>Cape Coral, FL 33915-0027</b>	City of Cape Coral Department of Community Development – Planning Division 1015 Cultural Park Blvd Cape Coral, FL 33990

Applications may also be uploaded to the City of Cape Coral website at:

Program staff is available to assist individuals in the completion of their application and can accommodate households with disabilities that may impede their ability to complete the application. Program staff can also arrange for assistance for households that have limited English proficiency.

### Appeals

Applicants may appeal application denials. Appeals shall be submitted to the Department of Community Development at the address listed above within seven (7) days of the date of the application denial letter. The written appeal shall state the reason(s) why the applicant believes the application denial was in error and provide any additional documentation necessary to support the applicant’s assertion of same. The decision of the Director shall be issued in writing within fourteen (14) calendar days and shall be final.

### Duplication of Benefits

All applicants shall certify on the Program Application under penalty of perjury, under the laws of the State of Florida, that they are not able to receive, and have not received, other federal or non-federal benefits or assistance for mortgage assistance for the period that is being requested. All applicants must enter into a duplication of benefit agreement prior to the disbursement of funds.

### False Claims

Applicants shall certify on the Program Application under penalty of perjury that “The information provided on this form is subject to verification by HUD at any time, and Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony and assistance can be terminated for knowingly and willingly making false or fraudulent statement to a Department of the United States Government”.

### Florida Public Records Laws

All applications are subject to public record release and review in accordance with Chapter 119, Florida Statutes.

### Non-Discrimination

The program shall be implemented consistent with the City’s commitment to State and Federal equal opportunity laws. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG-CV program funds on the basis of their disability, family status, national origin, race, color, religion, sex, ancestry, age, or other arbitrary discrimination.

The City of Cape Coral will provide reasonable accommodations and/or modifications, or provide language assistance to individuals requesting such assistance to benefit from the services provided by the program.



## Conflict of Interest

In accordance with 24 CFR 570.611, no member of the governing body and no official, employee or agent of the City of Cape Coral nor any other person, either for themselves or those with whom they have business or immediate family ties, who exercises policy or decision-making responsibilities will financially benefit from this program. All applicants must complete the Conflict of Interest Disclosure form included with the application. If a conflict of interest is disclosed, the applicant must receive a conflict of interest waiver from the US Department of Housing and Urban Development. This waiver takes anywhere from 60-90 days.

## Program Guideline Changes or Modifications

Minor changes to these Program Guidelines involving administrative procedures or accommodations to adapt to unique applicant situations or opportunities, or regulatory changes may be made at the discretion of the program administrator. Federal regulatory requirements for the CDBG-CV program are not subject to modification or revision, except when HUD issues guidance superseding prior regulatory requirements.

## Frequently Asked Questions

**Who can apply for assistance?** Homeowners who have experienced a loss or reduction of income as a result of the COVID-19 pandemic.

**What are the eligibility criteria?** Homeowners must meet income qualifications and demonstrate financial impacts as a result of COVID-19. Examples include, but are not limited to: loss of employment, reduction of work hours, reduced wages.

**How much financial assistance is available?** A qualified household can receive up to six months of assistance.

**Do I have to repay the grant?** No. The assistance is a grant and there are no recapture terms.

**How can apply?** Click the link below to download and print the application or the application will be mailed upon request by calling (239)XXX-XXXX.

**What information is needed?**

Complete the Application. Income documentation, mortgage agreement and proof of COVID-19 impact are required. Please read the guidelines attached to application for a full list of requirements.

**How will the applications be processed?** First-come, first qualified, first served and subject to funding availability.

**How do I submit my application packet?** Applications are encouraged to be submitted by email or online at [www.capecoral.net](http://www.capecoral.net).

**E-Mail to:** [housing@capecoral.net](mailto:housing@capecoral.net)

**Mail to:** Send to City of Cape Coral Department of Community Development Attn: Planning Division PO Box 150027 Cape Coral, FL 33915-0027

**In-Person:** Submit application at Cape Coral City Hall located at 1015 Cultural Park Blvd, Cape Coral, FL 33990. Applications are taken at the Zoning counter in the Department of Community Development.

**When are the applications due?** The City will hold 2-week application cycles on a rolling basis.

**How soon will I know if I'm approved?** Staff will review application and begin providing responses upon receipt of a complete application. If your application is incomplete, you will be given 10 calendar days to submit the missing information.

**If I'm approved, are grant funds sent directly to me?** No. In accordance with HUD rules, the County will pay your mortgage directly to the mortgage company/servicer.

Visit [www.capecoral.net](http://www.capecoral.net) for Program Guidelines and Application