

Important COVID-19 Updates for Section 8 and Section 811 Project Rental Assistance (PRA) Properties**COVID-19 Supplemental Payment Requests, COVID-19 Special Claims, and HUD Guidance on eSignatures and eStorage**

The United States Department of Housing and Urban Development (HUD) has recently released guidance on two new ways for owners/agents to offset COVID-19 related costs and losses during this time: COVID-19 Supplemental Payments (CSP) and COVID-19 Special Claims. The process for accessing these funds through Minnesota Housing are included below. Please read carefully and prepare to respond quickly as the timelines to request and access these funds are limited.

We have also included guidance specific to HUD Assisted properties about eSignatures and eStorage. **Important note:** This guidance *does not apply* to any Minnesota Housing programs or impact how Minnesota Housing treats eSignatures.

COVID-19 Supplemental Payment (CSP) Requests**Due August 5 by 11:59 p.m.**

On July 23, 2020, HUD's Office of Housing published [Housing Notice H-2020-08](#), "Availability of Funds for COVID-19 Supplemental Payments (CSPs) for Properties Receiving Project-Based Rental Assistance under the Section 8, Section 202, or Section 811 Programs." HUD is making CARES Act funds available to offset property expenditures to combat the effects of COVID-19.

The supplemental payments may cover costs incurred between March 27 - July 31, 2020 related to:

- Additional cleaning and disinfecting services and supplies,
- Additional staff to address COVID-19 related needs, and
- Increased costs for supplies, Personal Protective Equipment (PPE), and other expenses to help keep properties safe for residents.

For properties in Minnesota Housing's Traditional and Performance-based Section 8 Portfolios, please submit your questions and CSP Requests to rose.marsh@state.mn.us.

What You Need to Know:

There are two tiers of CSP requests that properties may be eligible for:

Tier I

Payments are capped and standardized based on a property-specific formula and are primarily intended to help offset costs for COVID-19 prevention and preparation. The formula allows for up to:

- \$2,000 base amount per property, plus \$60 per assisted unit,
- \$1,000 additional per-property allowance for properties specified to house elderly residents, and
- Up to \$3,000 additional allowance for properties with a budget-based service coordinator program.

Tier II

Owners may request larger sums under "Tier II Exceptional Cost Payments" to address cost increases associated with responding to reported COVID-19 outbreaks among property residents or in response to extensive community exposure that creates a greater threat to the health and safety of residents within the community.

- Other factors in the threshold calculation for Tier II payments include elderly designations, Service Coordinator funding, number of assisted units, surplus cash, MOR/REAC scores, and timely voucher submissions.
- Owners may submit only one claim request per property (not contract), to include all eligible expenses between 3/27/2020 and 7/31/2020.
- Complete claim submissions will include a completed form [HUD 52671-E](#) and paid receipts for COVID-19 eligible expenses during HUD's timeframe (if the amount exceeds the Tier I threshold).

All claim submissions must be emailed directly to rose.marsh@state.mn.us at Minnesota Housing for processing and MUST be received by 11:59 p.m. on Wednesday, August 5, 2020. Incomplete claim submissions must be corrected within two business days or will be rejected.

COVID-19 Special Claim Changes for Claims Between March 27 - September 30, 2020

[HUD has issued new flexibility](#) for turning over units in affordable housing communities for the period of March 27, 2020 through September 30, 2020. The temporary and retroactive flexibility allows owners of Section 8, including Section 811 PRA, properties to prioritize the health of residents and staff over financial losses by delaying unit readiness if necessary. Changes to the Special Claims process allows HUD to compensate owners for delayed unit readiness during the health crisis.

Although HUD has granted new flexibility in Special Claims during this time, claims MUST still be within the 180-day timeframe as currently required.

If you have a unit with delayed readiness due to the COVID-19 health crisis and a Special Claim has already been approved/processed, please complete these steps:

- Submit a new claim with a timeframe of the day after the tenant moved out through the unit ready date.
- Indicate that a prior claim has already been approved/paid in your submission email.
- The two claims combined cannot exceed 60 days.
Example: The first claim was submitted to cover the time between the unit-ready date and occupancy – a "normal claim" of 30 days. Under HUD's new flexibility, a second claim to cover the time between the day after tenant move-out through the unit-ready date (20 days to turn unit) may be allowed. The new claim of 50 days would be reviewed and processed under this new guidance.

Vacancy claims must not exceed the timeframe of 60 days. The day after tenant move-out through the occupancy date for a new tenant is capped at a max of 60 days or the new tenant's occupancy date, whichever is earlier. The vacancy must be COVID-19 related and a description and supporting information is required.

Please clearly mark claims with **COVID-19** at the top of the form(s) and be sure to include a written description on why the extended claim is COVID-19-related. All other vacancy claim documents originally submitted must be re-sent, except the unit reconditioning log. Certification that property marketing is compliant under their Affirmative Fair Housing Marketing Plan (AFHMP) is also required.

Please contact your assigned TRACS team member with any questions related to COVID-19 Special Claims.

eSignature and eStorage at HUD Assisted Housing

On May 26, 2020, the Office of Multifamily Housing published [Housing Notice 2020-04](#) "Electronic Signature, Transmission, and Storage - Guidance for Multifamily Assisted Housing Industry Partners." In this Notice, HUD permits but does not require industry partners to use electronic signatures. The Notice also permits electronic transmission and storage of files at HUD Assisted properties.

The Notice is applicable to Project-based Section 8 properties, among other property types listed in the HUD Notice and pertains to all HUD forms and owner/agent-created documents relating to asset management, Section 8 contract renewal, and occupancy policies. Applicants and tenants must still be given the option to use wet signatures, if requested. The option should be made available to provide signatures and documents in paper form.

When performing Management and Occupancy Reviews (MORs) for a property that has implemented electronic signatures and/or electronic storage, monitoring staff will ask for a copy of the property's corresponding policies and procedures. These policies and procedures will be reviewed for compliance with HUD Notice H 20-04 and when performing the MOR the monitoring staff will also need to see that your practices are in line with your policies and procedures.

When monitoring staff are reviewing policies and procedures, they will need to see how the following requirements are being satisfied for the use of electronic signatures (see HUD Notice H 2020-04 for a definition of each requirement):

- Electronic form of signature,
- Intent to sign,
- Association of signature to the record,
- Identification and authentication of the signer, and
- Integrity of the signed record.

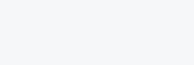
The policies and procedures need to also include information on how documents will be transmitted to and from tenants, Contract Administrator, HUD or any other entity. The policy needs to indicate that transmission of electronic documents and data complies with HUD's security requirements and uses National Institute of Standards and Technology (NIST) compliant methods.

If a property has implemented electronic storage, the policy needs to indicate the measures in place to protect the data and restrict access, and describe compliance with HUD Notice H20-04 including information on security, breaches and tracking of electronic activity. The policy should indicate how the property will adhere to rules surrounding Enterprise Income Verification (EIV) and Violence Against Women Act (VAWA) documentation, and should also address the retention and disposing of electronic data.

Please contact your assigned Housing Management Officer (HMO) with questions.

www.mnhousing.gov

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