

# NAVIGATING THE ROAD AHEAD

## Community Resilience Policy for the Otter Tail County (OTC) CARES Act Emergency Assistance (EA) Program

**Purpose:** This purpose of this policy is to specify the programs and strategies to assist households experiencing housing instability, food insecurity, and other financial crises as a result of COVID 19.

**Effective:** \_\_\_\_\_, 2020

### I. OVERALL INTENT

- a. Otter Tail County (the “County”) will conduct significant public information outreach and program education to inform households of the resources available, including the state’s COVID-19 Housing Assistance Program (“CHAP”), the Otter Tail County CARES (Coronavirus Aid, Relief and Economic Security) Act Emergency Assistance program, utility assistance programs, financial counseling and other programs that would assist households recovering from the impacts of the COVID-19 pandemic.
- b. OTC CARES EA funding will be used to meet the emergency needs of eligible households who are in an emergency as a result of COVID – 19, incur expenses after March 1, 2020 and before December 30, 2020, and who reside in Otter Tail County.
- c. The assistance must be used for emergency situations due to the impact of COVID-19 in which the household is without, or will lose, housing, utilities, transportation, or other eligible situations that would affect housing stability, food security, gaining or maintaining meaningful employment, and/or assistance needed for unexpected COVID related deaths or medical expenses that threaten the health or safety of any household member.
- d. It is estimated that over 650 households may have adverse financial impacts as a result of COVID -19, as defined in paragraph (c) above. It is therefore estimated that up to approximately \$1,500,000 is necessary and reasonable to ameliorate financial hardships of county households as a result of COVID - 19.
- e. The total funds available is limited to the amount authorized by the Otter Tail County Board of Commissioners from the county’s CARES Act allocation.

### II. PROGRAMS DISCUSSED IN THIS POLICY

#### a. Housing and Utilities

1. Minnesota Housing: Otter Tail County will promote the state’s COVID-19 Housing Assistance Program (“CHAP”) which provides housing assistance to households impacted by COVID 19. Households will be directed to this program first in order to provide county households with as many resources as possible when it comes to maintaining housing stability. The administrator for this program is MAHUBE-OTWA Community Action Partnership. The County is not responsible for the administration of this program; however, it is the intent of this policy to identify strategies to fully inform county households regarding this program.

2. **MAHUBE- OTWA Community Action Program (“CAP”):** The County will promote the Low Income Housing Energy Assistance Programs (LIHEAP) offered through the CAP agency. The County is not responsible for the administration of this program; however, it is the intent of this policy to identify strategies to fully inform county households regarding this program.
- b. **Support Services via Partner Organizations:** The county may also establish partnerships with a variety of organizations to provide additional support services to county households, including but not limited to, financial counseling, mental health services, disability services, and organizations providing food security programs.
- c. **OTC CARES Act EA Program:** The Otter Tail County Human Services Department will administer the OTC CARES Act EA Program. This policy identifies the eligible expenses and the general requirements for authorizing payments.

### III. PROGRAM EDUCATION AND OUTREACH STRATEGY

- a. **Intent:** It is the intent of the County to promote the programs discussed in this policy as widely and as often as necessary. It is also the intent to distribute information to a variety of populations, organizations, and entities that have communication capabilities to enhance the dissemination of information.
- b. **Direct mail to county households:** As soon as practical, the county will take the appropriate steps to inform all households regarding the Programs identified above and the appropriate means to contact the agencies distributing the resources.
- c. **Other media:** County staff will collaborate on the content and appropriate media tools to assist households in finding the contact information, assistance forms, and other information necessary.

### IV. OTC CARES EA ELIGIBILITY FACTORS

To be eligible, applicant must apply as a household and must meet all of the following conditions:

- a. At least one member of the household must be a Minnesota resident.
  1. The household’s gross income must be at or below 300% of Federal Poverty Guidelines (FPG) at the time of application (see Exhibit A).
  2. The household must have spent at least 50% of previous thirty (30) days income on essential needs: rent/mortgage, utilities, food, medical expenses, child care expenses, vehicle expenses (if necessary, for employment or medical needs), other expenses paid to avoid a threat to the physical health or safety of any unit member.
- b. CARES Funds are not available for a crisis resulting from fraud or misrepresentation on the part of any assistance unit member.
- c. The emergency must not have been caused by money mismanagement. Money Mismanagement is defined as:
  1. Repeated inability to plan the use of income to meet necessary expenditures.
  2. Repeated failure to meet obligations for rent, utilities, food, and other essentials.
  3. Repeated eviction notices and/or utility disconnects.
  4. Repeated use of Emergency Assistance funds.
- d. CARES Act funds will be approved for the most cost-effective solution.
- e. Eligible households seeking assistance for housing or utilities must apply for “COVID 19 Housing Assistance Program” (CHAP) first.
- f. Payment in combination with other resources must be able to resolve the emergency, not just postpone it.

- g. The household may keep up to \$2,000 in income or assets that will allow for on-going future expenses to avoid a subsequent emergency.
- h. Any of the guidelines listed above may be waived upon supervisory approval.

**V. ITEMS ALLOWABLE FOR PAYMENT**

**a. Housing:**

- 1. Rental Eviction- past due monthly rent, late fees, court fees.
- 2. Homelessness Prevention- first month rent, damage deposit, last month's rent (whatever is required by Landlord to move in, up to the maximum).
- 3. Mortgages - past due mortgage payments, late fees.
  - a. Family must own and occupy the home.
- 4. Contract for Deed: Past due payments, late fees
  - a. Family must be named in the contract & occupy the home.
- 5. Application fees
- 6. Other housing related expenses as determined necessary to maintain housing stability with supervisory approval.

**b. Appliances:**

- 1. Repair or replacement of air conditioner or furnace.
  - OTC CARES EA funds will be used for the most cost- effective solution.
  - One estimate will be required by a licensed repairman.
  - Vendor must be willing to accept payment from the County.

**c. Utilities:**

- 1. Electric
- 2. Gas
- 3. Water/Sewer
- 4. Propane- including delivery, hook-up & fill
- 5. Wood
- 6. Fuel Oil- including delivery, hook-up & fill

**d. Transportation:**

- 1. Allowable transportation expenses may include:
  - Bus pass, taxi/ride sharing (Uber/Lyft)
  - Car repairs (non-maintenance type), registration, car payments to bring the household current, 2 months car insurance, costs associated with obtaining a driver's license excluding fines or penalties.
- 2. Must have a valid driver's license and own the vehicle to be insured.
- 3. Repair requests must provide an estimated from a licensed Mechanic.
- 4. Mechanic must be willing to accept payment from County.

**e. Health Care**

- 1. Health care premium payments, spenddowns, co-pays and prescriptions for those that have no insurance or are under insured if inability to pay is due to the impact of COVID19.

2. Prior to approval, Medical Assistance will be reviewed to determine if budget should be adjusted to lower premiums and/or to determine if impacted household member has eligibility for Medical Assistance.
3. If Medical Assistance will cover expenses, CARES ACT emergency application will be denied.

**f. Funeral Expenses**

1. Unexpected funeral expenses related to COVID-19 deaths: eligible items may include minimum casket, minimum grave liner, minimum urn, embalming not to exceed \$200.
2. Applicant must first apply for assistance through the County Burial program. Applicant must be the same person who is signing Cost of Goods for funeral home.

**g. Other Expenses**

1. Expenses for items other than the basic needs listed above may be eligible for payment. Applications will be reviewed on a case by case basis, must be deemed essential and will require supervisory approval.

## **VI. DETERMINING AMOUNT OF COUNTY CARES EA PAYMENT**

**a. Assistance Determination Process**

1. Review existing financial status. Within the time necessary to resolve the crisis, the household must be unable to resolve its emergency by combining the following sources of all household members:
  - a. Liquid assets (except for up to \$2,000) & any other assets they can quickly liquidate (not including vehicles); and
  - b. Income they anticipate receiving;
  - c. Tax refunds; and
  - d. Other funds for which they are eligible.
2. Review Future Expenses. The following future expenses of the household will be considered when the amount of CARES EA funds is issued. Households will be allowed to keep up to \$2,000 of current or future income/assets needed for the following:
  - Rent/Mortgage
  - Utilities
  - Water/Garbage
  - Food
  - Medical expenses
  - Childcare expenses incurred as a result of the parent's employment
  - Vehicle expenses if a vehicle is necessary for employment purposes and public transportation is not available
  - Other expenses paid to avoid a direct, immediate threat to the physical health or safety of the applicant.
3. Assistance Amount. Assistance up to \$2,000/household is permitted without supervisory approval. Assistance greater than \$2,000 is permitted with supervisory approval and a determination that but for the CARES EA, housing stability and safety would be a jeopardized.

## **VII. PROCESSING COUNTY CARES ACT APPLICATIONS PAYMENT & AVAILABILITY**

- a. The CARES EA Application or County Burial Application must be submitted the County. An interview may be required.
- b. The following must be verified:
  1. Eviction, disconnect status, car repair estimates and/or medical bills, cost of goods from funeral home, appliance repair estimates - including amount needed to resolve.
  2. Current liquid assets.
  3. Bank statements for last thirty (30) days.
  4. Income for last thirty (30) days. Current month income may be sued if less than the previous month as a result of COVID-19 impact.
  5. How the unit has spent their money for the past 30 days; proof may be requested for large allowable expenses when reviewing spending history.
  6. Documentation regarding COVID-19 may be provided through self-certification.
- c. The household will be notified within ten (10) days about the status of the application.
- d. Payments made via CARES Act funding must be issued through Otter Tail County Accounting Department. Copies of checks issued must be retained.
- e. Availability of funding will be the sole determination and discretion of the County.
- f. All CARES Act funding must have supervisory or designee approval prior to issuance.

## **VIII. VENDORS ALLOWED TO RECEIVE PAYMENT**

- a. All Utility Companies and local governments will be considered for payment.
- b. All Mortgage Companies will be considered for payment.
- c. Rental Evictions and Contract for Deed:
  1. Eviction notices written by parties other than bona fide property managers will not be considered sufficient proof that a housing crisis exists.
  2. Eviction notices from family members will not be considered unless they are an actual landlord with a licensed rental property or there is a safety concern.
- d. Moving out of a parent's home will not be considered for payment unless there is a COVID related health and safety concern.
- e. Payments made directly to a household must have supervisory approval.
- f. Licensed mechanics, vendors and repairmen must be willing to accept county payment.
- g. A W-9 form must be received from the vendor. Vendors who have a W-9 on file with the county do not need to submit a new form.
- h. Payment verification from the vendor must be received.

**EXHIBIT A**

**300% FEDERAL POVERTY GUIDELINE FOR CARES ACT FUNDS**  
As of 7/2020

<b>HOUSEHOLD</b>	<b>MONTHLY INCOME</b>
1	\$3,190
2	\$4,310
3	\$5,430
4	\$6,550
5	\$7,670
6	\$8,790
7	\$9,910
8	\$11,030
9	\$12,150
10	\$13,270
Each additional person	\$1,120

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## COMMUNITY RESILIENCE CARES ACT PROGRAMS

### COVID-19 RELATED PROGRAMS

### NON COVID-19 PROGRAM

**COVID-19 Housing Assistance Program (CHAP) [Administrator Name]**  
(Funding from Minnesota Housing)\*

**CARES Act Emergency Assistance\***

**Emergency Assistance (EA) & Emergency General Assistance (EGA)**

#### Housing Assistance

Rent payments, Mortgage payments, home insurance, Contract for deed payments, Manufactured home park lot rents, manufactured home payments, association fees, additional housing related costs approved by Minnesota Housing

CHAP Program Funds **must** be used until program discontinues.

Rent payments, Mortgage payments, Home insurance, Contract for deed payments, Manufactured home park lot rents, Manufactured home payments, Association fees

Rent payments, eviction prevention, security deposit, first month rent

#### Utilities

**Utility payments:** Electric, gas, water/sewer, propane, fuel oil

**Utility payments:** Electric, gas, water/sewer, propane, fuel oil

**Utility payments:** Electric, gas, water/sewer, propane, fuel oil

#### AC/Furnace Repair or Replacement

CHAP does not pay for repairs

Yes

No

#### Car & Transit

No

Yes

No

#### Health Care Expenses

No

Premium payments, spenddown payments, co-pays, prescription costs

No

#### Funeral Expenses

No

**For COVID related deaths:** minimum casket, minimum grave liner, minimum urn, cremation, embalming - not to exceed County burial limits

No

\*Expenses must be between March 1, 2020 and December 30, 2020