



Date: April 7th, 2021

To: CoC Recipients/ESG Sub-Recipients

RE: HUD Megawaiver #5

HUD has released [Megawaiver #5](#), extending all programmatic waivers from Megawaiver #4 that were set to expire for CoC programs. These waivers build on Megawaiver #1-4 (find more information on [our website](#)) and will continue to allow more flexibility in order to serve clients in light of the current crisis. Megawaiver #5 specifies that it includes grants that have not yet been awarded (e.g., funds awarded under the FY 2021 Appropriations Act). Waivers are available for the following Community Planning and Development (CPD) programs:

- Continuum of Care (CoC)
- Emergency Solutions Grants Program (ESG)
- Youth Homelessness Demonstration Program (YHDP, not summarized in this memo)
- Housing Opportunities for Persons With AIDS (HOPWA, not summarized in this memo)

To utilize the waivers:

1. Submit a notification per the last page of the [memo](#) as follows:
 - a. **For CoC Projects**
 - i. **NY-503 & NY-606 ONLY:** CARES has submitted a waiver notification on your behalf. Please email [CARES staff*](#) your intention to utilize any of the below waivers.
 - ii. **All Other CoCs:** Please notify your [HUD Field Office**](#); cc [CARES staff*](#)
 - b. **For ESG Projects:** Send notification to your respective ESG Grantee; cc [CARES staff*](#) for monitoring purposes.
2. Update program records & client files to include written documentation of the specific conditions that justify the recipient's use of the waiver ([examples on our website](#)).

Below is a brief summary of each waiver, and how it differs from prior waiver(s) (if applicable):

Extension of Waivers per Megawaivers #1-#4 Continuum of Care Program

#1: CoC: Third-Party Documentation of Income

Applicability: Written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the 3-month period following the evaluation shall be accepted, even if source documents and third-party verification are obtainable. This is applicable for initial or subsequent rent or occupancy charge calculations.



Expiration: 6/30/2021

#2: CoC: Housing Quality Standards - Initial Inspection of Unit

Applicability: The April 1, 2020 waiver allowed visual inspections via technology in place of physical inspections. The September 30, 2020 waiver allowed an owner certification in place of either a physical or virtual inspection. This waiver extends this allowance. The owner must certify that they have no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question; and the recipient or subrecipient must have written policies to physically inspect the unit within 3 months after the health officials determine special measures to prevent the spread of COVID-19 are no longer necessary.

Expiration: 6/30/2021

#3: CoC: Suitable Dwelling Size and Housing Quality Standards

Applicability: The dwelling unit for Rapid Rehousing assistance does not need to have at least one bedroom or living/sleeping room for each two persons. Recipients are still required to follow State and local occupancy laws.

Expiration: This waiver expires 6/30/2021, extending for those units in which the waiver was utilized to the latter of 1) the end of the initial lease term for leases originating on or before 6/30/2021 or 2) 6/30/2021

#4: CoC: Assistance Available at Time of Renewal

Applicability: The requirement that the renewal grant amount be based on the budget line items in the final year of the grant being renewed is further waived for all projects that amend their grant agreement between the date of the memorandum and June 30, 2021 to move funds between budget line items in a project in response to the COVID-19 pandemic. Recipients may then apply in the next FY CoC Program funding cycle based on the budget line items in the grants before they were amended.

Expiration: 6/30/2021

#5: CoC: Permanent Housing-Rapid Re-housing Monthly Case Management

Applicability: The requirement that projects require program participants to meet with case managers not less than once per month is waived for all permanent housing-rapid re-housing projects.

Expiration: 6/30/2021

#6: CoC: Fair Market Rent for Individual Units and Leasing Costs

Applicability: The recipient may use grant funds for leasing to pay above FMR when leasing individual units so long as the rent is reasonable when compared to other similar, unassisted



Expiration: Any lease executed by a recipient or subrecipient to provide transitional or permanent supportive housing from the date of the memorandum until 6/30/2021.

#7: CoC: One-Year Lease Requirement

Applicability: Program participants residing in PSH may have an initial lease term of less than one year provided it is for at least one month.

Expiration: Initial leases executed between the date of this memorandum and 6/30/2021.

#8: CoC: Limit on Eligible Housing Search and Counseling Services

Applicability: The limitation on eligible housing search and counseling activities is waived 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 arrears, when those arrears make it difficult to obtain housing.

Expiration: 6/30/2021

#9: CoC: HQS – Re-Inspection of Units

Applicability: The requirement to inspect all units supported by leasing or rental assistance funding under the CoC and YHDP Programs at least annually during the grant period to ensure the units continue to meet HQS is waived. Additionally, recipients will need time when social distancing guidelines are no longer in effect to prepare staff to re-inspect (and inspect as discussed above) units for HQS; therefore, HUD is extending the waiver beyond the date the state or local public health official has determined special measures are no longer necessary to prevent the spread of COVID-19.

Expiration: 6/30/2021

#10: CoC: Homeless Definition – Temporary Stays in Institutions of 90 Days or Less

Applicability: An individual who is exiting an institution where he or she resided for 120 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution are considered homeless per 24 CFR 578.3, definition of "homeless."

Expiration: 6/30/2021

Extension of Waivers per Megawaivers #1-#4

Emergency Solutions Grant Program (including both CARES Act and annual ESG appropriations)

#11: ESG: Homeless Definition – Temporary Stays in Institutions of 90 Days or Less

Applicability: An individual who is exiting an institution where he or she resided for 120 days or less



and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution are considered homeless per 24 CFR 578.3, definition of "homeless."

Expiration: 6/30/2021

Ongoing Waivers per [Megawaiver #3](#)

CoC: Coordinated Entry-Annual Ongoing Planning and Stakeholder Consultation

Applicability: The CoC does not need to solicit feedback at least annually from participating projects and households that participated in coordinated entry to evaluate the quality and effectiveness of the entire coordinated entry experience.

Expiration: 9/30/2021

CoC: Disability Documentation for Permanent Supportive Housing (PSH)

Applicability: On March 31, 2020 HUD waived the requirement to obtain additional evidence within 45 days and instead allowed recipients up to 6-months from the date of application for assistance to confirm intake staff-recorded observations of disability with other evidence. HUD is now entirely waiving the requirement, allowing projects to rely on intake-staff recorded observations without additional evidence to verify until the end of the pandemic.

Expiration: From publication of this waiver until public health officials determine no additional special measures are necessary to prevent the spread of COVID-19.



Please note, many of these waivers are incorporated into the ESG-CV regulations, which can be applied to annual ESG projects under certain conditions. Please contact CARES for more information.

If you have any questions, please let us know. We are happy to collaborate with the HUD Field Office to field pertinent questions and report back in a timely fashion. Thank you for all of your work to ensure the safety and security of the most vulnerable during this trying time and always.

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