



GOVERNMENT OF PUERTO RICO
Department of Housing

Housing

Infrastructure

Planning

Economic Recovery

ATTACHMENT 3
DRAFT HOUSING COUNSELING GUIDELINES
Notice of Funding Availability
Housing Counseling Program
Community Development Block Grant – Disaster Recovery
CDBG-DR-NOFA-2018-01

DEPARTMENT OF HOUSING
CDBG DR PROGRAM GUIDELINES
HOUSING COUNSELING
OCTOBER 2018 V 1.0

This Page Intentionally Left Blank

DRAFT

[illegible]

TABLE OF CONTENTS

1. OVERVIEW/BACKGROUND	1
2. PROGRAM DESCRIPTION.....	1
3. NATIONAL OBJECTIVE.....	2
4. PROGRAM CRITERIA	2
5. GENERAL ELIGIBILITY	3
5.1. HOUSING COUNSELING RESOURCES	4
5.2. COMPLIANCE WITH FAIR HOUSING AND CIVIL RIGHTS LAWS	5
6. OUTREACH & MARKETING.....	6
7. ELIGIBLE USE OF FUNDS	6
8. APPLICATION REQUIREMENTS & SELECTION.....	7
8.1. SELECTION REVIEW OF HCA AWARDEES.....	7
8.2. REQUIRED COMPONENTS OF THE HOUSING COUNSELING WORK PLAN	9
8.3. KICKOFF MEETING & REPORTING	10
8.4. Identification of Program Participants.....	10
8.5. INITIAL CONSULTATION WITH RESIDENTS	11
9. PROGRAM/PROJECT CLOSEOUT.....	11

1. OVERVIEW/BACKGROUND

The involvement of HUD approved Housing counseling agencies to provide case management, expertise in home repair financing and oversight, expertise in homeowner's insurance, connections to disaster recovery networks, and expertise in the construction process has proven to be a valuable part of long-term recovery. Subsection 106(a) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x). Section 106 authorizes the provision of funding for public or private organizations to provide a broad range of housing counseling services to homeowners and tenants to assist them in improving their housing conditions and in meeting the responsibilities of tenancy or homeownership. Subsection 106 (a) states that the Secretary is authorized to provide counseling and advice to tenants and homeowners with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and in meeting the responsibilities of tenancy or homeownership.

PRDOH's Program for Housing Counseling will serve applicant needs in providing educational services to promote the understanding of housing counseling, mitigate default/foreclosure proceedings and many other services through trained knowledgeable unbiased agencies. This program has a total budget allocation of \$7,500,000 and has a maximum award of \$750,000 per counseling agency, unless ten distinct agencies do not qualify.¹

2. PROGRAM DESCRIPTION

The Housing Counseling Services offered through this program will foster resilience through public education and advocacy administered by HUD-approved housing counseling agency (HCA) professionals to explain the options available for those who will be receiving services from the Housing Counseling. Services may include a range of approved subjects, including one-on-one counseling and formal training sessions.

In PRDOH's Housing Counseling Program, applicant education can be provided in formal classes, with established curriculum and instructional goals, provided in a group or classroom setting, or other formats approved by PRDOH, covering topics such as, but not limited to:

(1) renter rights;

¹ These amounts are proposed to be increased in Substantial Amendment 1 due to the large size of all programs. Once increased, the budgets will be modified here.

- (2) the home buying process;
- (3) how to maintain a home;
- (4) budgeting
- (5) fair housing;
- (6) identifying and reporting predatory lending practices;
- (7) rights for persons with disabilities;
- (8) foreclosure prevention and mitigation
- (9) relocation
- (10) and the importance of maintaining good credit
- (11) other HCA eligible disaster recovery services as discussed in the HUD Housing Counseling Disaster Recovery Toolkit

See: <https://www.hudexchange.info/resources/documents/Housing-Counseling-Disaster-Program-Guide.pdf>

"Fair Housing" may include the promotion and protection of civil rights as they relate to ensuring equal opportunity housing. Such educational sessions may include topics such as identifying and reporting discriminatory policies, procedures, practices, fair lending, Section 504 of the Rehabilitation Act, and predatory lending.

3. NATIONAL OBJECTIVE

This program will serve those who are defined as either being Low Moderate Income and those who are considered to be urgent need as defined by HUD. The program will be offered as a Public Service.

4. PROGRAM CRITERIA

PRDOH will oversee a grant program working with HUD approved Housing Counseling Agencies to provide services identified below as part of the program. The goals for the Program are outlined below:

The primary objectives of the HUD Housing Counseling Program are to improve financial literacy, expand homeownership opportunities, improve access to affordable housing, and preserve homeownership.

Counselors will seek to ensure counseling needs of low, very low and extremely low-income households are met to the greatest extent feasible.

Provide initial targeted outreach to persons located in High Risk areas (identified flood areas, storm surge areas, and landslide risk areas) or who were denied FEMA assistance.

Civil Rights - All participating agencies must administer their housing counseling programs in accordance with and remain in compliance with corresponding Departmental regulations and guidance and the following nondiscrimination regulatory and legislative requirements:

- A. Title VI of the Civil Rights Act of 1964,
- B. Title VIII of the Civil Rights Act of 1968,
- C. Executive Order 11063,
- D. Section 504 of the Rehabilitation Act of 1973,
- E. The Age Discrimination Act of 1975
- F. Americans with Disabilities
- G. Title IX of the Education Amendments of 1972.

PRDOH may offer special training seminar(s) for current and new counselors about programs offered under CDBG-DR. Curriculum will cover the scope of available programs and cover eligibility requirements in depth. Additional training sessions to educate surge staff new for housing counseling services can be provided on an as necessary basis to ensure service providers are appropriately staffed to meet applicant needs. All HCA's receiving funding under this program must participate in PRDOH-sponsored training as required.

5. GENERAL ELIGIBILITY

The housing counseling agency staff must possess a working knowledge of HUD and PRDOH's housing and single-family mortgage, insurance programs such as FHA, other state and local housing programs available in the community, including needs of renters, the Consolidated Plans including an analysis of impediments to fair housing choice, and the Puerto Rican housing market. The staff should also be familiar with housing programs offered by conventional mortgage lenders and other housing or related programs that may assist their clients. New HCA's may be required to satisfactorily complete special training seminars, prove capacity to handle caseloads, be equipped with sufficient staffing to ensure ability to successfully provide services, complete a capacity assessment for their area of service.

5.1. HOUSING COUNSELING RESOURCES

The agency must have sufficient resources to implement the proposed housing counseling work plan. If the counseling agency is lacking resources, it may submit a plan to acquire needed resources.

Staff: The housing counseling agency must employ staff trained and HUD-certified in housing counseling, identifying how many counselors have at least six months experience in the job they will perform in the agency's housing counseling program. Evidence of staff training must be documented in agency records. Documentation of staff training will be assessed when agencies receive performance reviews and when agencies complete applications for grant funding.

State and Local Requirements. In accordance with 24 CFR Part 214.103 (k) an agency and its branches and affiliates must meet all state and local requirements for its operation.

Accessibility and Facilities. In accordance with 24 CFR 214.103 (l), all housing counseling facilities of the agency and its branches, affiliates, and sub-grantees must meet the following criteria:

- ✓ Have a clearly and properly identified office, with space available for the provision of housing counseling services. There must be permanent signage identifying the housing counseling office.
- ✓ The office should operate during normal business hours and offer extended hours when necessary.
- ✓ Provide privacy for in-person counseling and confidentiality of client records.
- ✓ Provide accessibility features or make alternate accommodations for persons with disabilities, in accordance with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), 24 CFR parts 8 and 9, and the Americans with Disabilities Act (42 U.S.C. 12101 et seq.).
- ✓ Language skills - The housing counselor(s) must be fluent in the language of the clients they serve. In addition, all documents provided to clients must be available in both English and Spanish.

Alternative Formats - The Housing Counseling Agency must be prepared to provide vital documents and information in alternative formats for persons with disabilities or make alternate accommodations for persons with disabilities, in accordance with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), 24 CFR parts 8 and 9, and the American with Disabilities Act (42 U.S.C. 12101 et seq.).

Housing counseling agencies apply for funding to provide counseling services. The counseling program is intended to provide services to all residents of Puerto Rico. PRDOH will choose the housing counseling agencies that best meet the following criteria:

- ✓ Are located in Puerto Rico and/or service Puerto Rico
- ✓ Have documented HUD-certified team members
- ✓ Have a proven track record of providing HUD counseling services and managing caseload
- ✓ Have a proven ability to work with residents outside of the area of their locations as needed
- ✓ Will provide a workplan for residents to provide an overview of the overall needs they will be addressing
- ✓ A housing counseling agency should be functioning for at least one year in Puerto Rico; the agency will serve as a participating agency as set forth in its housing counseling work plan.
- ✓ Housing counseling agencies without prior experience in Puerto Rico may be considered if they are able to provide documented experience in serving populations with similar demographic compositions and needs.

PRDOH will coordinate with the housing counseling agencies to outline the requirements for the resident application, intake and process for receiving services. Residents will be paired with one of the housing counseling service providers based on an evaluation of their need, location and ability to interface with the housing counseling agencies.

5.2. COMPLIANCE WITH FAIR HOUSING AND CIVIL RIGHTS LAWS

Housing counseling agencies must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105 (a). If you (a) Have been charged with an ongoing systemic violation of the Fair Housing Act; or (b) Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) Have received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act 1973, or section 109 of the Housing and Community Development Act 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b) or (c) above has not been resolved to PRDOH's satisfaction, then you are ineligible.

Under section 808 (e) (5) of the Fair Housing Act, PRDOH has a statutory duty to affirmatively further fair housing in all its activities. PRDOH requires the same of its subrecipients. Housing Counseling Agencies must affirmatively further fair housing

for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability and familial status. Housing counseling agencies are expected to help remedy discrimination in housing and promote fair housing rights and fair housing choice.

6. OUTREACH & MARKETING

HCA's working as subrecipients with PRDOH are to provide outreach through multiple media platforms including but not limited to: radio, newspapers, social media, local marketing initiatives, local events or fairs. This outreach should be documented, measurable and create impact. Outreach will be measured through quarterly reports. Outreach should be island-wide especially in the case when a particular housing counseling agency provides a certain expertise or may be for a particular geography assigned to the approved Counseling provider agency. All outreach plans must be submitted to PRDOH for review and approval prior to the HCA beginning work.

The provision of information to raise awareness about critical housing topics, such as predatory lending, fair lending and fair housing issues, including what to do if you think you've been discriminated against (i.e. how to file a complaint) and the availability of housing counseling and other forms of assistance should be part of the outreach and marketing performed. Marketing and outreach include distributing materials, presenting at community events, conducting informational campaigns such as public service announcements (PSAs), advertisements, or other forms of media campaigns, and advocating with lenders and other industry partners.

Outreach and marketing materials related to CDBG-DR programs must be pre-approved by PRDOH before publication and should be provided in both English and Spanish.

7. ELIGIBLE USE OF FUNDS

HCA's can provide assistance in several ways One of the most commonly used is one on one counseling due to the personalized approach of review for each family's financial and housing situation while identifying barriers to housing goals and developing an action plan to address each barrier. A part of those services can include:

- ❖ Financial Status or financial Resource assessment
- ❖ Applying for public and private resources
- ❖ Negotiating mortgage and rent forbearance
- ❖ Short and long-term budgeting living expenses

- ❖ Explaining insurance options
- ❖ Acting as a safeguard against fraud and scams
- ❖ Hurricane season planning and preparation
- ❖ Working with rehabilitation/reconstruction contractors
- ❖ Walkthrough PRDOH housing recovery programs
- ❖ Link to short term housing options
- ❖ Services for renters including working with landlords, tenant rights overviews, etc.
- ❖ Referral to mental health resources to cope with disaster/recovery trauma
- ❖ Relocation counseling for home purchase options
- ❖ Establishing Property purchase eligibility/ capacity
- ❖ Credit Repair counseling
- ❖ Advocacy with insurance and mortgage companies
- ❖ Connection to other resources that provide home repair relief and emergency assistance
- ❖ Group education addressing how to remediate mold

8. APPLICATION REQUIREMENTS & SELECTION

8.1. SELECTION REVIEW OF HCA AWARDEES

Existing or new housing counseling agencies servicing Puerto Rico are encouraged to apply for the grant funding. All paperwork required by PRDOH must be submitted by the due date indicated. PRDOH maintains the right to request additional documentation or provide addenda as needed. Agencies with branches or affiliates for which the parent entity exercises control over the quality and type of housing counseling services rendered, must submit a single application for approval. PRDOH will publish a Notice of Funding Available which will request documentation that outlines the qualifications based on previous work experience, capacity and ability to provide services as well as methodology and approach to provide the requested scope of services. Required documentation may include but is not limited to:

- ✓ Are located in Puerto Rico and/or service Puerto Rico
- ✓ Have a proven track record of providing these types of services in Puerto Rico as demonstrated through an understanding of:
 - (1) the needs and problems of the target population;
 - (2) how the agency will address one or more of these needs and problems with its available resources;
 - (3) the type of housing counseling services offered;
 - (4) fee structure, if applicable;
 - (5) the geographic service area to be served; and

- (6) the anticipated results (outcomes) to be achieved within the period of approval.
- ✓ Have a proven track record for managing their caseloads
- ✓ Have sufficient staff to properly service residents in Puerto Rico
- ✓ Have a proven record of expertise in the area of service they will be applying
- ✓ Have a proven ability to work with residents outside of the area of their locations
- ✓ Will provide a workplan for residents to assist the overall services they will be providing
- ✓ Have a proven methodology for program/project implementation that yields results

Scoring and funding methodology for the Notice of Funding Availability (NOFAs) are intended to ensure the program goal of building capacity to provide a flexible range of services to address a wide variety of housing and financial needs, especially in response to recent economic and housing conditions, will be met. PRDOH will assign a ranking and scoring system that will be outlined in the NOFA. Scoring under this NOFA will reward high-quality services, oversight and quality control, meeting key needs, and efficient program administration.

Notice of Approval - If the application package is selected by PRDOH for funding, PRDOH will approve an agency for a period up to two years, with options to extend. PRDOH will advise the agency of its approval in the form of an approval letter to the agency's main office.

Deficiency - If the application does not meet all the requirements for approval and additional information is needed to evaluate the application, PRDOH will issue a deficiency letter. The letter will identify deficiencies and provide the applicant an opportunity to submit additional information in support of the application within a specified period. If any agency decides to submit a revised application, the agency may consult with PRDOH to determine the specific actions needed to resolve the deficiencies.

Disapproval - If, after responding to a deficiency letter, an application package still does not meet all requirements of the application, PRDOH will deny approval and provide the agency with the reasons in writing. Within 30 calendar days of the written notice of denial, the agency may submit a revised application, or appeal PRDOH's decision in writing to PRDOH. A revised application may not result in award.

The award notice will include information on the amount of funding made available to the awardee. PRDOH will notify the winning awardee(s) and host a kickoff meeting to outline the services, training sessions and any other additional requirements to be completed, including the preparation of a CDBG-DR Housing Counseling Work Plan.

8.2. REQUIRED COMPONENTS OF THE HOUSING COUNSELING WORK PLAN

- ✓ Target Community. The housing counseling work plan must describe the demographics, housing needs and problems, and geographic boundaries of the target area(s) the agency plans to offer its housing counseling services.
- ✓ Services. The work plan should identify housing counseling services to be provided in response to one or more of the needs in targeted communities and geographic areas where the agency and its branches and affiliates provide their housing counseling services. Group education and marketing and outreach strategies should also be identified in the agency's housing counseling work plan.
- ✓ Alternative Settings/Format. An agency's housing counseling work plan must also address, if appropriate, alternative settings or formats for the provision of housing counseling services, for cases in which the agency and the client mutually agree on the need for an alternative setting or alternative format, and cases in which the agency's facilities are not accessible. Alternative formats can include telephonic counseling or remote counseling systems designed using Skype technology, video cameras and the internet. Skype technology systems can also be used to deliver group education workshops and sessions.
- ✓ Follow-up. The housing counseling work plan must detail the agency's plan for follow-up communication with the client.
- ✓ Fee Structure. Services provided through CDBG-DR Housing Counseling services may not have a fee required for participation since the HCA is receiving payment from PRDOH to provide these services. Given this, each HCA must identify their own existing fee structure, and provide information on how they will ensure that participants seeking CDBG-DR funded services will not be charged fees.

If a housing counseling agency workplan related to CDBG-DR is changed or amended, the agency must seek approval from PRDOH.

Awardees will be reimbursed only for the following eligible activities: delivery of counseling and education services that benefit clients, including the supervision and quality control necessary to provide high quality services, cost of client

education and materials, program oversight, cost of compliance and quality control, supervision of housing counseling staff, housing counselor training, marketing and outreach initiatives.

8.3. KICKOFF MEETING & REPORTING

Awardees will be required to provide all documentation to PRDOH and be available to attend seminars as well as specialized training to help tailor the needed support for resident needs.

The agency must have an established system of recordkeeping so that client files, electronic and paper, can be kept confidential, reviewed and annual activity data for the agency can be verified, reported, and analyzed. PRDOH and HUD shall have access for all monitoring and audit purposes (24 CFR 214.315).

Participating agencies must ensure the confidentiality of each client's personal and financial information, both electronic and paper, including credit reports, whether the information is received from the client or from another source. Failure to maintain the confidentiality of, or improper use of, credit reports may subject the agency to penalties under the Fair Credit Reporting Act (14 U.S.C. 1681 et seq.). Hard copies of client files must be kept in locked filing cabinets and electronic client files must be kept secure and be accessible only by authorized employees.

All participating agencies shall utilize an automated housing counseling client management system for the collection and reporting of client-level information including, but not limited to, financial and demographic data, counseling services provided and outcomes. Agencies may be required to interface with PRDOH's databases.

Reports will be submitted to PRDOH on progress of the outreach, rate of intake, identification of any key areas of resident need not being met and goal achieved/remaining.

8.4. IDENTIFICATION OF PROGRAM PARTICIPANTS

PRDOH will work with HCAs to identify their pipeline of potential participants. Participants may be referred by other CDBG-DR funded programs, directly from PRDOH or self-referred. Participants will be referred based on both service area and the specific services provided by a HCA. Once a HCA receives a referral from one of these sources, they are expected to contact the participant within two business days to initiate intake.

8.5. INITIAL CONSULTATION WITH RESIDENTS

Awardees will provide residents an initial consultation upon successful completion of intake for counseling services. While scheduling this consultation, the housing counseling agency should confirm applicant information, such as contact information, recovery needs, etc. in order to best serve the applicant.

At the initial consultation, the HCA will meet with the resident and any household members that are available to attend the Consultation, to discuss their housing needs. The Subrecipient or housing counseling agency must confirm the application information and collect any documents supplied by the applicant relative to their particular need as well as provide a list of additional documentation that will be required as next steps based on the needs identified by the applicant.

Residents should provide documentation to their housing counselors within a reasonable timeframe so as to ensure progress and success of their participation in the program. Subrecipients are responsible for two follow up contacts with the applicant to help guide or maintain the application current.

If the applicant fails to attend two scheduled consultations without notifying the Subrecipient, then the Subrecipient may place the case on hold and notify the applicant of that action.

HCAs will prepare individual recovery plans for each applicant based on their identified need and provide counseling services in line with those needs. Upon completion of service delivery to a participant, the Housing Counseling Agency will provide any required beneficiary and outcome information to PRDOH.

9. PROGRAM/PROJECT CLOSEOUT

PRDOH will require Housing counseling agencies to provide final reports for the outcomes of all residents serviced and summary dashboards to indicate hard metrics of results achieved with the funding provided. This information must be made available to PRDOH upon request and maintained for a period of at least three (3) years after the expiration of the Grant period or date of last payment, whichever occurs first. All Subrecipients must be able to demonstrate and document the actual cost of service provision. The amount billed by the grantee cannot exceed the actual cost of providing the services.

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and meet the standards required in 2 C.F.R Part 200.430(i). The records must support the distribution of employee's salaries and wages among specific activities or cost objectives if the employee works on

more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to awards. Records must reasonably reflect the total activity for which employees are compensated. Costs for program delivery such as outreach publications, rental space for group meetings and associated operational expenses may be reimbursed by the program in accordance with the Subrecipient agreement. HCAs will submit requests for payment in accordance with PRDOH invoicing guidance.

The housing counseling agency shall coordinate a closeout process which may include an exit interview for the resident which involves an evaluation of the services needed, services provided and if there is any outstanding need that was not able to be met. Applicants may provide feedback to the subrecipient in writing to indicate the value of the services received. Any complaints should be submitted to the subrecipient, discussed, documented and resolved with a report. Subrecipients are responsible for completing aggregate reports to quantify the services they have provided and the outcomes for each case.