



Rural Development

January 5, 2021

Elizabeth Green
Acting Administrator

Rural Housing Service
1400 Independence Ave, SW
Room 5011-S
Washington, D.C. 20250

Telephone: (202) 720-1500

TO: State Directors
Rural Development

ATTN: Program Directors
Single Family Housing

FROM: Elizabeth Green /s/ *Elizabeth Green*
Acting Administrator
Rural Housing Service

SUBJECT: Self-Help Housing Flexibilities due to COVID-19

PURPOSE:

An [Unnumbered Letter \(UL\) dated July 29, 2020](#) provided flexibilities for Self-Help Housing due to COVID-19. While the UL had an expiration date of September 30, 2020, the Agency continues to apply the flexibilities on production and costs as the Section 523 Mutual Self-Help Housing grantees continue to deal with project delivery issues related to COVID-19. The flexibilities will continue until notified by the Agency of their discontinuation.

BACKGROUND:

Actions taken by USDA Rural Development (RD) in response to COVID-19 are found at <https://www.rd.usda.gov/coronavirus>; and stakeholders are encouraged to visit the page regularly. See the Rural Housing Service section for actions taken specific to Self-Help Housing.

To help grantees impacted by the pandemic, RD made over 20 supplemental grants totaling approximately \$2.5 million in Fiscal Year 2020 and provided numerous grant modifications; and will continue to provide supplemental and modification support in Fiscal Year 2021 as funding allows.

EXPIRATION DATE:
September 30, 2021

FILING INSTRUCTIONS:
Housing Programs

IMPLEMENTATION RESPONSIBILITIES:

Grantee organizations are reminded to/that:

- Communicate with their respective Technical & Management Assistance (T&MA) providers along with local/state RD offices.
- Notify the RD State Office if they need to relax or suspend weekly hour requirements in order to follow local and state COVID-19 requirements.
- Maintain up-to-date quotes and cost projections as material and related costs fluctuate.
- Notify the local RD office if a second lien will be taken against the property to cover cost overruns and provide revised construction documents (e.g. budget). RD borrowers can apply for a subsequent loan through RD to cover these costs.
- Follow the grant amendments and time extensions under RD Instruction 1944-I, section 1944.420. RD will evaluate amendments, time extensions and refunding in light of the current situation and the obstacles grantees have encountered due to COVID-19. Lower rates of production, Equivalent Units (EUs) and Technical Assistance (TA) cost per EU during COVID-19 will be considered in the evaluation of grantee requests for amendments, time extensions, and refunding. Grantee organizations must work along with their regional Technical and Management Assistance (T&MA) Contractors to develop realistic extension requests and refunding applications.
- Allowable costs associated with grant activity may be charged to the grant during a construction stoppage. For example, the grant could be appropriately charged for time staff worked (at home or in the office) on related activities such as marketing, packaging, development planning, soliciting new bids, reworking budgets, etc.
- Hard costs such as rent, utilities, etc. may be allocated to grant charges unless these costs are covered by another source of assistance.

For questions pertaining to this UL, please contact Andria Hively, Acting Branch Chief, at Andria.Hively@usda.gov or at (360) 990-0252.