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Community Preservation Committee Funding Recommendation for COVID-19 Emergency Housing Relief Program

Date: May 15, 2020

From: Barney Heath, Director of Planning
Lara Kritzer, Community Preservation Program Manager

To: The Honorable City Council

Cc: Her Honor Mayor Ruthanne Fuller

At the meeting on Monday, May 11, 2020, the City Council's Committee of the Whole requested that additional information be submitted to address questions raised during the discussion of the COVID-19 Emergency Housing Relief Fund Proposal for CPA funding. Councilors Albright, Bowman, Crossley, Kelley, Laredo, and Malakie presented written questions which are addressed in the following pages and which speak to the majority of the questions raised during Monday's discussion. Several questions requested more information from other communities which were considering this program. Today, we received an updated list of communities which are implementing this type of program which I have attached for your information as well.

The COVID-19 Emergency Housing Relief Program is intended to provide temporary assistance to Newton households who have lost income or employment due to the COVID-19 crisis and have household incomes below 80% Area Median Income (AMI). It is designed to provide assistance to these households during this particularly difficult time period as quickly as possible with a tight timetable that will allow funds to begin to go out in time for the July 1st housing payments. While it is true that residents cannot be evicted from their units during the current moratorium, this does not stop rents from continuing to come due. Households who have lost income during this period may already be falling dangerously behind as they miss monthly rent and other payments, increasing the likelihood that an eviction will take place in the future when the moratorium ends and the back rent is due. Even for those who are able to return to work at the end of this period, meeting the demands of current housing costs as well as past due amounts can be an insurmountable burden. Many Newton renters were already housing cost burdened, meaning that they spent more than 30% of their household income on housing each month, before the current crisis. These households often have very little flexibility in their monthly budgets, making it difficult to impossible to save for future emergencies or pay off additional debt.

Lastly, it is important to note that the goal of this program, to stabilize housing in Newton, benefits everyone. When renters are unable to meet their monthly obligations, the effect extends to the

property owners, their lenders, and the City itself. Many of Newton's multi-family rental units are owned by individuals who depend on these rents to pay their own taxes and mortgages. For smaller property owners, missed rental payments can mean putting off necessary capital repairs or even future foreclosures. Temporary Housing Assistance not only helps to keep at-risk households in their own homes but will help to stabilize the housing market in Newton as a whole.

The Massachusetts Housing Partnership (MHP) has taken an active role in working with the Community Preservation Coalition and other statewide housing advocates to develop guidance for rental assistance programs and held a well-attended webinar on the subject on April 22, 2020. This guidance and other program information is available at <https://www.mhp.net/writable/resources/documents/Emergency-Rental-Assistance-Programs-guidance1.pdf>). The questions and answers from the April 22 Webinar are also available online at <https://www.mhp.net/writable/resources/documents/Follow-up-webinar-QA-FINAL3-050720.pdf>)

The following is a list of some of the local communities which have instituted emergency housing programs. More specific information on four of these programs (Boston, Cambridge, Framingham and Waltham) are included in specific questions below.

Boston - <https://www.boston.gov/departments/neighborhood-development/office-housing-stability/rental-relief-fund>

Cambridge - <https://www.cambridgema.gov/covid19/Housing>

Chelsea - <https://www.chelseama.gov/home/news/emergency-rental-assistance-program-programa-de-asistencia-de-alquiler-de-emergencia>

Framingham - <https://www.framinghamma.gov/DocumentCenter/View/37558/CDBG-Rental-Assistance-Application>

Great Barrington - <https://www.gbhousing.org/rental-assistance>

Hudson – https://www.townofhudson.org/sites/hudsonma/files/uploads/assistance_flyer.docx.pdf

Lenox - <https://www.townoflenox.com/affordable-housing-trust-committee/files/emergency-rental-assistance-application-english>

Manchester-by-the-Sea - <http://www.manchester.ma.us/CivicAlerts.aspx?AID=216>

Martha's Vineyard (thru Duke's County Housing Authority)

English -- <https://dcrha.files.wordpress.com/2020/04/eerp-modified-4-20-20.pdf>

Medford - <https://patch.com/massachusetts/medford/medford-partnership-offers-rent-assistance-during-pandemic>

North Andover - <https://drive.google.com/file/d/1wJMGylm0cYpECRUcJJYYL6Wg6ypthyx2/view>

Quincy – <https://www.qcap.org/quincy-emergency-rental-assistance-fund/>

Salem - <https://app.smartsheet.com/b/form/492061e9133a4026bbe39d40ea299ce7> or

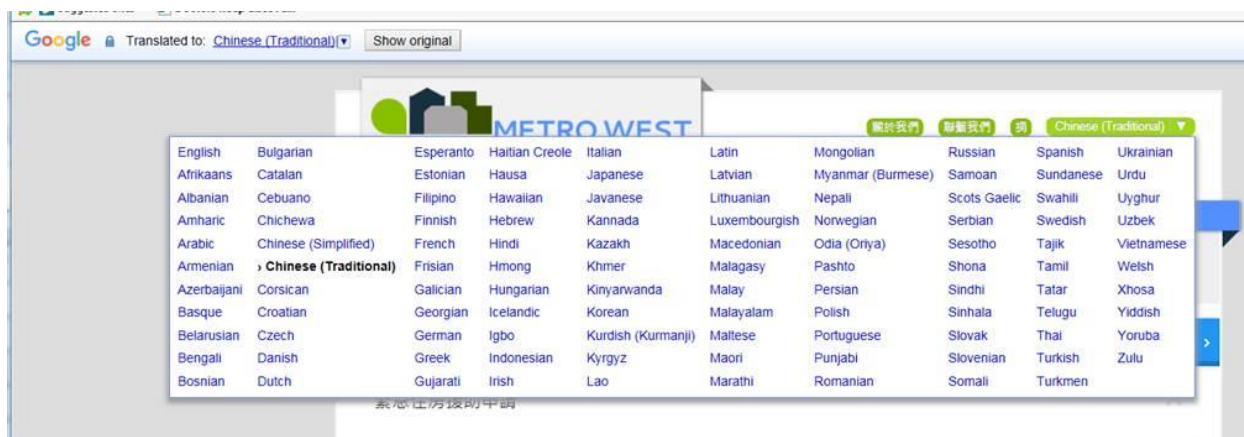
Waltham - <https://www.city.waltham.ma.us/housing-division/pages/city-of-waltham-community-preservation-rental-assistance-program>

Councilor Albright Questions:

1. I need assurance in the application that the application will be made available in multiple languages as needed for our Newton population

Metro West Collaborative Development (MWCD) will use a translation service for anyone calling in for assistance or with questions. The company, Language Line, provides conference call translation services. MWCD calls in along with the Applicant, and they have a three-way call with the translator. It is important to note that Metro West is an approved DHCD lottery agent, conducts over 10 lotteries a year, and maintains a Ready Renter program application list of over 3,500 households so they are not without experience in this arena.

For those accessing the application online, the MWCD website has the capacity to use Google translates to make the application available in a wide range of languages as shown below.



2. I understand the need to pay overhead costs but in this very short timeframe, for me, 187,000 is too high to cover staff time and overhead. Why not pay \$10,000 or even \$30,000 or up to \$50,000 for overhead then \$200 per successful resident service - which would still be \$60,000 or a total of 110,000 at most for this program. This program will last for roughly 3 -4 months. The \$500/successful resident served is excessive. Alternatively - did you try to do this project in house and if so please explain why you could not do this. I hope you will give us information on the other cities who are doing this.

There are several reasons behind the decision both to partner with a non-profit for this work. Firstly, the Massachusetts Housing Partnership (MHP) strongly recommends working with an organization or consultant that is familiar with affordable housing programs. As stated on the last page of their guidance document:

IT IS ADVISABLE TO PARTNER WITH AN ORGANIZATION OR CONSULTANT

The administration of affordable housing programs can be complicated. It is advisable to partner with an existing entity that has experience supporting low income tenants.

Metro West Collaborative Development (MWCD) is a well-established organization who has a successful history of working in affordable housing in the west metro area. They are familiar with Newton's programs and structure, regularly conduct affordable housing lotteries, and are already working with Ready Renter Programs. The Ready Renter Program provides information and support to low-income housing seekers and has 3,700 participants who receive monthly bulletins with wait list/lottery announcements. It also a vehicle for small property owners (with IZ units for example) to cost effectively accomplish the state's AFHM guidelines and is reviewed every two years by DHCD. MWCD has been running the program for 5 years and conducts approximately 10-15 affordable

housing lotteries per year. These qualifications relate directly to a question raised in the April 22 Webinar discussion, which encourages communities holding a lottery as part of this program to work with certified lottery agents such as MWCD.

11. How do towns run a lottery when demand is greater than supply? *Running a lottery can be complicated, but a fair way to award public assistance. We encourage communities to either engage with an agency that has experience running lotteries to administer your program, or a certified lottery agent to manage that portion of your program.*

MWCD realized early on that there would be a need for community based housing assistance to address the current crisis and had already developed a template program for using CPA funding to address emergency housing needs that met all of the program guidelines established by the Community Preservation Coalition and the MHP before the program was considered here in Newton. Over the last two months, MWCD and has worked closely with Housing and Community Development staff to create a program that uses both CDBG and CPA funds to specifically address the housing security concerns here in Newton. The extent of this work to craft the program, as well as to create the application and website, assist with mailings and marketing, and address questions related to best practices was part of the consideration used when crafting the administrative fee for the program. MWCD has already provided Newton with numerous hours of their expertise bringing the program to this point. Their pay scale of \$500 per successful application takes this work into account, while also recognizing that they will not be paid for any unsuccessful applications that they review, irrespective of the time that goes into that process.

MWCD has estimated that approximately 65 hours of consulting time has gone into the development of this program. Moving forward, pre-screening for each new application is anticipated to take approximately 2 hours. Other municipal programs which MWCD has spoken with are currently estimating a 50% success rate, although according to a recent conversation with staff overseeing Boston's Emergency Housing Assistance program, only about 25% of the applications initially received could be successfully processed. In either case, MWCD will be reviewing 2-4 applications (spending 4-8 hours) for each application that is successful. Once the successful application has been identified, MWCD anticipates that an additional 4.5 hours will be needed to review and process it. From start to finish, this represents approximately 6.5 hours of work per successful application, or at least 1,950 hours for the minimum 300 successful applications anticipated by this project. If only 50% of the applications are successful, MWCD will also need to spend a minimum of an additional 600 hours processing unsuccessful applications as well.

The question of administrative costs was also raised during the April 22 Webinar:

9) What is a standard administrative fee to run a program? You should anticipate that an administration fee may be 10-20%, depending on the program structure and administrator's cost structure.

The proposed administrative cost of 7.5% of the program's cost is well below the anticipated fee structure noted above. It should also be noted that the \$150,000 in CPA funding set aside for administrative costs is a maximum number only – MWCD will be paid on a periodic basis according to the number of applications which are successful and receive funding irrespective of the time required to review all of the applications received.

Lastly, I want to specifically address the second point of your question as to why this cannot be done in-house. The majority of the City's Housing and Community Development staff are paid by HUD and are prohibited from administering non-HUD funded programs. So, while the staff could theoretically administer the CDBG funded portion of the program, they could not administer the CPA funds which

represent 80% of the potential program. Further, CPA funds cannot be used to pay for the time of existing City employees but can pay for outside consultants. This was also addressed in the April 22 Webinar:

8) Can administrative fees of an emergency rental assistance program be paid with CPA funds? Yes, in certain circumstances. If CPA funds are supporting emergency rental assistance administration by a non-municipal entity, CPA can also cover administrative fees to implement the program. However, if your municipal staff is working on a rental assistance program, CPA funds may not be used to pay for the time of existing employees of cities or towns. (emphasis added)

In short, the most qualified people within the City are not eligible to work on the full program, and any other City staff assigned to the program would lack the experience in running lotteries and affordable housing programs which MWCD will provide. It should also be noted that during this unusual time, City staff is spread out across the area working from home. Running a coordinated program without dedicated phone lines or easy access to the programs and systems needed to process checks in a timely manner would further complicate the process and jeopardize the success and availability of the program.

3. Please explain how you will reach people who are digitally challenged. This number may be small but in fact they may be the most in need.

MWCD has provided a direct phone number for the staff person who will work most closely with the households applying to this program. They are available to directly assist applicants in completing the form, both to answer questions and if necessary, to fill out the form for them over the phone. The Department is undertaking robust efforts to get the message out via flyers at all food distribution sites in Newton and working directly with Newton's social service agencies to help inform their clients.

4. The process is described on p. 3 of the application where is the part about checking income?

The applicant will be asked to provide basic household income for all members of the household above the age of 18, submit evidence of loss of employment or income, and provide recent bank statements, all of which will be used to confirm household eligibility.

5. Many are concerned that 5 days is too short to contact the landlord. We have many absentee landlords. Please increase this time.

This time frame may have been misunderstood and deserves explanation. There is no plan to remove Applicants from the program within any time frame. The five days mentioned in the guidelines refers to the time that the MWCD will wait for an Applicant to respond to requests for further information. The Applicant has five days to respond to inquiries from MWCD – if they are having difficulty in reaching or working with a landlord and let the MWCD know, then the MWCD will continue to work with them for the time needed to complete the process so long as they continue to respond to requests for information. To clarify, if an Applicant does not respond at all within five days, MWCD will move to the next person on the list for review. If the unresponsive applicant comes back at a later time, then they will have the opportunity to continue the review process if funding is still available. This process is built on years of experience in verifying incomes as part of affordable housing lotteries.

6. I'm not clear who is eligible for RAFT and who is not. Are you saying that people can receive raft and rental assistance from newton? Is this fair? I have no idea how raft works - sorry for my ignorance. If someone receives both would they still need 70%?

The RAFT Program is a homelessness prevention program funded by the Department of Housing and Community Development (DHCD) which provides short-term financial assistance to low-income families who are homeless or at risk of becoming homeless. Funding is limited to \$4000 within a 12-month period. To be eligible for RAFT:

- A family must be homeless or at risk of becoming homeless.
- The household must be income eligible using the following guideline: Not less than 50 percent of the funding will be available for families with an income at or below 30% of Area Media Income (AMI), and a maximum of 50 percent for families between 30-50% AMI.
- Meet the basic criteria of an assessment targeting tool (RAFT Screen) developed by DHCD. Agency staff are allowed flexibility in applying the tool to determine eligibility.
- The RAFT eligibility process will consider the reasons for which someone is homeless or at risk of becoming homeless, including loss of income and increased expenses for those with incomes between 30 and 50 percent of AMI
- A family must show that RAFT assistance will stabilize the current housing situation. This means a household must have enough income after receiving RAFT to be able to stay in their current housing, obtain new housing, or otherwise avoid homelessness.

One of the recommended changes made by the CPC in their review of this program was to open it up to households that are already receiving housing assistance, including RAFT. This was encouraged by several affordable housing advocates, who noted that the rents in Newton are high, and that even with other assistance, the lowest income households may very well need additional help to meet their family's needs during this time. This program is proposing to pay 70% of the monthly rent or housing payment that the household is responsible for – for example, if they are living in a \$2,000 unit and another program has lowered the rent to \$1,000, the household will be eligible to receive \$700 from the COVID-19 Emergency Housing Relief Program.

7. Are you also saying that people can receive section 8 and assistance from Newton? If so - would they really still need 70% to be paid by Newton?

Yes, a household with another type of housing voucher or who takes part in another housing assistance program is eligible for this funding. As recommended by the CPC and supported by Newton affordable housing advocates, the program is open to any Newton household that meets the income requirements and has been negatively impacted by the COVID-19 situation. As noted above, this program would pay 70% of the household's monthly housing expense. The program would not pay 70% of the market rate of the unit if the household is receiving assistance – only 70% of what the household actually pays.

8. Should we give preference to people not eligible for unemployment insurance?

This question also came up during the CPC's discussion of the program. Because the purpose of the program is to assist as many Newton households that are struggling due to the COVID-19 situation, it was agreed that this program should remain open to any household that met the income requirements and could prove a negative impact. Further, the MHP Emergency Rental Assistance Program Guidance cautions against putting additional restrictions on these programs as noted here:

BE CAUTIOUS ABOUT RESTRICTING ELIGIBILITY BEYOND INCOME *If the purpose of your*

emergency rental assistance program is to stem the financial impact of COVID-19 and provide rent relief for low income households, be careful with adding additional criteria to qualify for assistance. Many people across multiple industries are being impacted by the pandemic. The more restrictions you put on qualifying (e.g., live and work in the community, work in a particular industry) the more you may infringe on fair housing and other laws, as well as hinder your goal of supporting your most impacted residents.

9. Please add a reference in the application for periodic reporting to the council on progress - perhaps even every 2 weeks, starting with the total number of applicants.

There will definitely be a regular reporting process that is instituted between MWCD and the CDBG and CPA staff as part of this program, and those reports on the program status can be provided to the Council as well. The use of CDBG funds will require a detailed accounting of the use of the funds to meet HUD auditing requirements. Community Development staff has worked with MWCD to develop a reporting form that will be submitted on a monthly basis. A similar form has also been developed to track any future funding through the CPA program. Further, MWCD has been meeting with Newton staff daily to develop this program and is anticipated to continue to work closely with the Housing and Community Development staff over the life of the program.

10. I agree that you should add at least one more week before the lottery occurs. If someone misses the lottery, they go to the very bottom of the list - maybe some exceptions could be made for cause - i.e. a language problem or something like that

At the CPC's recommendation, the deadline for the lottery was extended one week back from May 27 to June 3. In addition, anyone who applies for funding after June 3 will be added to the bottom of the wait list and will have their application processed so long as there is funding available- no qualifying household will be excluded from the program. The June 3 deadline is only for the initial lottery, not for the entire program. Any application received by June 3 will be part of the lottery on June 10, and the wait list established on that day will be used for both the CDBG and CPA funding. There is no plan to have an end date for accepting applications until all of the funding is expended.

The reason behind this relatively close timeframe is the urgency of the situation and the program's wish to begin getting funding out to households as soon as possible. The Department is hoping that housing relief funds can be released in time for July 1st rent payments. If the program dates are pushed back any farther, fund would not be available until August. Again, these deadlines are only for the lottery – applications will still be accepted for the program after June 3.

11. Reference is made to reporting stopping on July 1 - does this mean that the project will be wrapped up by July1?

The program hopes to begin releasing funds to successful applicants by July 1 – this will in many ways be the start of the reporting process rather than the end. There is currently no end date for the program – it will continue for as long as there is funding available. MWCD will continue to report on the application and funding process for the life of the program.

12. Finally, reference is made for the use of a translation service - please explain how this works.

MWCD will use a translation service for anyone calling in for assistance or with questions. The company, Language Line, provides conference call translation services. MWCD calls in along with the Applicant, and they have a three-way call with the translator.

For those accessing the application online, the application website has the capacity to use Google translates to make the application available in a wide range of languages as shown in question 1.

Councilor Laredo Questions:

1. **I do not understand why we are paying an outside vendor up to \$187,000 to run this program. According to the information provided in response to Councilor Albright's question, the entity has four staff members. If they are each earning \$120,000 a year (and I expect they are not) that would be paying for over four full months of staff time.**

Please see the answer to Councilor Albright's Question 2

Are there out-of-pocket costs associated with administering the program? What are they and are they included in the price we are paying?

There are no significant out-of-pocket expenses anticipated. MWCD has worked closely with the Housing and Community Development divisions to develop the program guidelines and application. In addition to their professional assistance in holding the lottery, reviewing applications, qualifying successful applicants, and administering the funding, MWCD is also built and maintaining the application website and will be required to maintain separate program files on each applicant for auditing purposes. the program bookkeeping for future auditing purposes.

What are other cities and towns with similar programs doing for staffing - are they doing it in-house or using an outside vendor? If in-house, why are they able to do this in-house and we are not?

There are a variety of approaches to administering a program of this type. Some communities who have direct experience and staff in running rental programs are handling the program in-house. Other communities have chosen to partner with experienced non-profits. The Department is focusing its considerable efforts in administering its existing CDBG, HOME and ESG programs as well as now urgently look to put this \$1.5 million in CARE Act emergency funding to work in an expeditious manner. The Department has been closely partnering with Metro West on the program design and execution and is convinced that partnering with Metro West will result in the best efficiencies and outcomes for Newton residents in this time of need. Below are brief summaries of similar programs in four neighboring communities:

Boston: Boston has allocated \$3 million in City Funds for a Rental Assistance Program that is run both in-house through their Office of Housing Stability and with the help of two outside providers - Metro Housing Boston and NOAH. Rental assistance is available to households below 80% AMI who either do not receive unemployment or whose unemployment benefits, because of the nature of their job, provide a significant reduction in actual income. The program provides a maximum of \$4,000 in assistance, with the actual amount of funding determined after considering other sources of income (expanded unemployment benefits and one-time federal payments). The program received 5,600 applications for its initial lottery, many of which were incomplete, and is currently closed for new applications.

Cambridge: Cambridge has allocated \$3.2 million from its Mayor's Disaster Relief Fund for a Housing Assistance Program that is run through the City's existing housing stability office. The program provides one-month of rent, mortgage, or utility payments to Cambridge residents who are below 100% AMI and who have lost income due to the COVID-19 crisis. This program is also capped at \$4,000 per household and provides funding on a first come, first served basis. By early May, the program had received 1,200 applications and had awarded about 600 one-month grants for rent, with the remaining 600 applications "pending."

Framingham: Framingham is using CARES CDBG Funds to provide up to two months of housing assistance for rent, mortgage, and/or utility payments. The program is open to residents who have lost their employment or primary income by March 2, 2020. Funding per household is capped at \$5,000 per renter or landlord

Waltham: Waltham already had a permanent in-house rental assistance program prior to the current situation which had received \$150,000 in emergency funds earlier this spring. That initial program had received 500 applications, although many were considered to be incomplete. The City is now launching a CPA funded emergency housing program using \$1 million in CPC funds which is estimated to assist another 200-220 households. The program will provide up to 3 months of assistance for households below 100% AMI, with the amount of assistance based on the size of the unit (\$1200 for 1 bedroom, \$1500 for 2 bedrooms, and \$1800 for 3 bedrooms). The program will have a two-week application period with applicants having 7 days to provide any missing information.

If an outside vendor, why have we not contacted those vendors?

In considering an outside agency to partner with, staff wanted to work with an organization that was familiar with Newton and its existing housing programs and organizations – in looking at other communities, most also have chosen to partner with organizations that are closely tied to their specific community. Before committing to working with MWCD, the Housing and Community Development staff reached out to Newton’s other affordable housing organizations and programs. No other Newton organization had the interest or capacity to take on this project at this time.

Will the Planning Department be providing staffing support for this program as well?

Yes – the City of Newton is a co-applicant on this application and will provide limited assistance. The City’s Housing and Community Development staff will continue to work closely with MWCD and monitor the process through the life of the project.

Why is the Planning Department not able to fully administer it internally (perhaps with modest consulting help from MetroWest)?

Please see the answer to Councilor Albright’s Question 2

- 2. I don't think that using current AMI is the proper measure for eligibility. There could be people who had substantial incomes who, having lost their jobs, now fall below 80% AMI. I think that the proper standard is what a person's income was before February 15.**

The purpose of this program is to provide temporary, emergency assistance to those who have been negatively impacted by the COVID-19 crisis. Newton’s rental housing can be expensive, and many household had to stretch budgets prior to this situation to continue to live here even if they made more than 80% AMI. The program has been modified to prioritize those households with incomes at or below 65% of AMI to address the households with the lowest incomes.

Thursday’s update from the Metropolitan Area Planning Council (MAPC) (<https://www.mapc.org/planning101/update-the-covid-19-layoff-housing-gap/>) further emphasizes the need for housing assistance that even those receiving unemployment assistance at this time will need. MAPC estimates that the average monthly assistance needed is \$935 per renter household and \$1,290 per owner household **to fill the gap between a household’s income with unemployment and the cost of housing and other necessities.**

This question was also raised at the MHP Webinar on April 22:

6. Should income eligibility be determined based on a household's current income or last year's annual income? If your emergency rental assistance program is directly responding to the impact of COVID-19, income eligibility based on current income is advisable, with applicants showing a loss in income due to the pandemic.

- 3. Allowing anyone who has been adversely affected financially by COVID-19 to be able to get 70% of rent paid does not seem to me to be the right standard. "Adversely affected" is not a sufficiently rigorous standard nor should anyone automatically get 70% of rent paid. We need to be more careful in distributing funds and use different standards in order to help the most needy. An individual could have lost her job, be collecting unemployment, received a government stimulus check and be making only a few dollars less than she was making when employed. I do not think this person should be able to have 70% of her rent paid (indeed, that would put her in a better position than if she had remained fully employed). With limited dollars, we need to get the money to those most in need.**

To qualify for this program, households must have been negatively impacted by the Covid-19 crisis **AND** have a household income that is below 80% AMI. If a household has had a negative financial impact but still have an income above 80% AMI, they will not be eligible for this program. Further, the program does recognize that with the recently increased unemployment benefits instituted for this situation, there may be a limited number of households that are actually doing financially better now than before the crisis. To address this issue, the program guidelines clearly state that applicants must have had a negative impact to apply – if their income has gone up rather than down, they will not qualify for this program.

- 4. I think that we should first focus on individuals at 60% or less of AMI (at pre-February 15 levels), then 70% AMI and finally, 80% AMI. Again, the goal should be to get money to those among us who need help the most.**

As currently proposed, the program does include a preference for those at or below 65% AMI at the time of application. These households will be placed in order by the June 10 lottery and will be reviewed for funding before the households above 65%.

- 5. I agree with extending the deadline for applying by at least a couple of weeks to make sure that eligible applicants are made aware of the program.**

At the CPC's recommendation, the deadline for the lottery was extended one week back from May 27 to June 3. In addition, anyone who applies for funding after June 3 will be added to the bottom of the wait list and will have their application processed so long as there is funding available- no qualifying household will be excluded from the program. The June 3 deadline is only for the initial lottery, not for the entire program. Any application received by June 3 will be part of the lottery on June 10, and the wait list established on that day will be used for both the CDBG and CPA funding. There is no plan to have an end date for accepting applications until all of the funding is expended.

The reason behind this relatively close timeframe is the urgency of the situation and the program's wish to begin getting funding out to households as soon as possible. The Department is hoping that housing relief funds can be released in time for July 1st rent payments. If the program dates are pushed back any farther, fund would not be available until August. Again, these deadlines are only for the lottery – applications will still be accepted for the program after June 3.

Councilor Malakie Questions:

- 1. The MA eviction moratorium is in place through August 18, 2020 (or 45 days after the state of emergency is lifted). Proposed eligibility of max 80% AMI is now the same for both CDBG-CV and CPA funds. The Program Overview states that funding will come from the CDBG-CV funds until this source is fully expended, and then CPA funds would be used. Is this accurate?**

Yes – the program will initially use CDBG funding. If CPA funding is approved, it will supplement the program once the CDBG funding is spent.

- 2. In view of the foregoing, why can we not approve just the CDBG-CV funds at this time, and vote on the CPA request later, after we can evaluate how the program is working, and possibly know more about the "reopening" of the state and future needs?**

The CDBG-CD funding for this program has already received approval from the Planning Board and the program kicked off this week with the \$500,000 in place. We will know more about the demand for the program in a few weeks, but it is important that the CPA funding be available as soon as possible if more than \$500,000 is initially requested through the lottery so that we can meet the current need. As the program moves forward, we will provide additional information on its progress.

- 3. If further federal COVID assistance programs become available to Newton, will those funds be used for rental assistance before CPA funds are used?**

That has not been determined at this time. Some of the current COVID-19 funds are being used for other programs such as Human Services, Small Business Assistance and Emergency Shelter services and it is possible that those programs could be expanded in the future as well.

- 4. Why does the fact that most government housing subsidy programs use a 70/30 standard with residents expected to pay 30% of their income toward housing, suggest that 70% of rent is the right amount for the city to contribute to rent? These are two completely different 70 percents. Rather than a flat 70% or rent for all lottery winners, can the amount of the monthly payment to a household be calibrated to degree of need?**

The thought was that 70% was a significant discount that would help households in need but would still require households to be responsible for a portion of their monthly housing costs. Several different ideas were considered in developing the program including funding based on the number of bedrooms in the unit and funding the entire rent. Because households that pay more than 30% of their income for housing are generally considered to be housing cost burdened and this is a commonly used metric for affordable housing, it made sense to continue to use that number.

- 5. What happens if receiving 70% of their rent puts a household over 80% of AMI?**

It is important to note that this assistance does not go to the household. It is directed to their landlord after all of the analysis on their application is completed.

- 6. The Program Overview states "The program is temporary in nature and funding is limited," but nothing on the draft application form states that duration or amount is limited. (In contrast, the Newton COVID-19 Care Fund application notes "There is a maximum benefit of \$2500 per individual/family.") Will you add a statement describing program limits to the application form, so expectations are clear?**

The guidelines and project marketing materials will both clearly state that there is a maximum benefit of \$2,500 per month for three months with a maximum per household of \$7,500.

- 7. If recipients cannot afford to stay in their home after the initial 3-month period of payments, what happens then? Should assistance be focused on households for whom 3 months of aid will truly stabilize their situation, not just postpone having to move? Or structured differently, for example, if an applicant needs less than \$2,500 per month in rental assistance, but expects to need it for longer?**

The evolving situation makes it difficult to anticipate too far in advance what may be needed. Right now, the program is focused on the immediate needs of those who have lost income or jobs and there is no plan to extend the program beyond the current parameters. However, it is always possible that in a few months, with a better understanding of who is applying for funding and what they need, that the program will be amended or a new program proposed to provide further assistance. I think many communities will see their programs begin to change over time as the situation continues.

- 8. Does the eligibility standard of being under 80% AMI *post-Covid impact* mean what annual income would be if the Covid impact/job loss lasted a whole year? Is this acceptable to HUD (as opposed to using something verifiable, like previous year's income)?**

Yes, this is an acceptable process for use with both the CDBG and CPA funding. This is based on the fact that this is an emergency program in response to the negative impacts of the COVID-19 crisis, and it is considered advisable to use current income in this situation to determine need.

This is also a question that was raised during the April 22 MHP Webinar:

6. Should income eligibility be determined based on a household's current income or last year's annual income? If your emergency rental assistance program is directly responding to the impact of COVID-19, income eligibility based on current income is advisable, with applicants showing a loss in income due to the pandemic.

- 9. How will the city or Metro West know if a recipient's financial situation improves (e.g. job resumes) to the extent that they don't need the final month's payment?**

This question was discussed during the development of the program – even if a household resumes a job by the end of the three month period, there was agreement that the household would still be dealing with a significant hole in their annual income and would very likely be struggling to pay down debt that accumulated during unemployment. First paychecks are generally not available until a few weeks into the new job, adding to the delay in addressing the concern. With this in mind, it seemed unlikely that the program would still be providing funding by the time the household had recovered from even a temporary job loss.

- 10. References have been made at meetings to possible longer-term plans to address ongoing needs. What is envisioned and where would that funding be requested from? (e.g. free cash? CPA again? only from federal funds? 'Rainy Day' fund? operating override?)**

There is general agreement that further programs may be needed if this situation continues, but no specific plans have been made at this time. As noted above, the City is anticipated to continue to consider a wide variety of solutions to assist residents as the situation evolves and more information is available about the needs of individual households.

- 11. If there is a long-term program, would it be open to new applicants whose needs might have arisen after the deadline for this program? Would it also be open to households who received assistance in this program, and how would applicants be prioritized?**

Newton does not currently have a long-term rental assistance program and is not proposing one at this time. If in the future the City decides to pursue such a program, these questions will certainly be addressed.

12. How are the other communities (Waltham, Framingham, Boston, Cambridge?) funding their programs? How much from CPA and how much from other sources? How are they selecting recipients? Do they have asset tests? (On the MHA/CHAPA Zoom session, I recall Salem saying they had an asset test.)

Boston: Boston has allocated \$3 million in City Funds for a Rental Assistance Program that is run both in-house through their Office of Housing Stability and with the help of two outside providers - Metro Housing Boston and NOAH. Rental assistance is available to households below 80% AMI who either do not receive unemployment or whose unemployment benefits, because of the nature of their job, provide a significant reduction in actual income. The program provides a maximum of \$4,000 in assistance, with the actual amount of funding determined after considering other sources of income (expanded unemployment benefits and one-time federal payments). The program received 5,600 applications for its initial lottery, many of which were incomplete, and is currently closed for new applications.

Cambridge: Cambridge has allocated \$3.2 million from its Mayor's Disaster Relief Fund for a Housing Assistance Program that is run through the City's existing housing stability office. The program provides one-month of rent, mortgage, or utility payments to Cambridge residents who are below 100% AMI and who have lost income due to the COVID-19 crisis. This program is also capped at \$4,000 per household and provides funding on a first come, first served basis. By early May, the program had received 1,200 applications and had awarded about 600 one-month grants for rent, with the remaining 600 applications "pending."

Framingham: Framingham is using CARES CDBG Funds to provide up to two months of housing assistance for rent, mortgage, and/or utility payments. The program is open to residents who have lost their employment or primary income by March 2, 2020. Funding per household is capped at \$5,000 per renter or landlord

Waltham: Waltham already had a permanent in-house rental assistance program prior to the current situation which had received \$150,000 in emergency funds earlier this spring. That initial program had received 500 applications, although many were considered to be incomplete. The City is now launching a CPA funded emergency housing program using \$1 million in CPC funds which is estimated to assist another 200-220 households. The program will provide up to 3 months of assistance for households below 100% AMI, with the amount of assistance based on the size of the unit (\$1200 for 1 bedroom, \$1500 for 2 bedrooms, and \$1800 for 3 bedrooms). The program will have a two-week application period with applicants having 7 days to provide any missing information.

At present, Waltham is the only one of the listed communities using CPA funding for their Emergency Relief Programs. I have also reached out to Medford and Salem to find out about their CPA funded programs. I have not received a response yet but will report back as soon as I hear from them. No asset tests are mentioned in their online funding documents.

13. If an applicant can't execute their program agreement with their landlord within the required time (still five days?) but gets it in later (e.g. sixth day), do they regain a place in the Lottery Wait List ahead of whoever they were ahead of before -- just not ahead of anyone who's been processed in the meantime? Or do they go to the back of the queue?

Yes – their application will still be processed. There is no plan to remove Applicants from the program within any time frame. The five days mentioned in the guidelines refers to the time that the MWCD will wait for an Applicant to respond to requests for further information. The Applicant has five days to respond to inquiries from MWCD – if they are having difficulty in reaching or working with a landlord and let the MWCD know, then the MWCD will continue to work with them for the time needed to complete the process so long as they continue to respond to requests for information. To clarify, if an Applicant does not respond at all within five days, MWCD will move to the next person on the list for review. If the unresponsive applicant comes back at a later time, then they will have the opportunity to continue the review process if funding is still available. This process is built on years of experience in verifying incomes as part of affordable housing lotteries.

14. Since Metro West with four employees is not planning to hire any new people to administer this program, are there really no city employees who could administer the program?

This question is specifically addressed in Councilor Albright’s question #2 on page 3. Although no City staff will administer the program, staff will be involved in monitoring and working with MWCD throughout the program.

Councilor Bowman Questions:

1. In reference to #250-0200 Approval of \$2.5 million dollars for Emergency Housing Relief, I would like more information from Planning on how the proposed program for Newton compares to programs in surrounding communities.

Please see Councilor Malakie’s Question 12 (page 13) for information on programs in other communities, as well as the list of resources at the start of this document (page 2).

Councilor Crossley Questions:

1. Councilor Baker noted early on that 2.5 million is likely enough to cover only a small percentage of the need - about 300 or so households for three to four months, depending on the rent. The need is likely to be far greater than this both initially and longer term. Several noted the desire to coordinate this program somehow with the Newton COVID Care Fund. Later, the mayor noted federal monies Newton is receiving that will be put toward rental and other assistance. Notwithstanding that it is likely we will be considering additional relief in the near future, it seems that coordination among various grant sources is very important to ensuring the money can be distributed as broadly and fairly as possible.

The Housing and Community Development staff are currently working with other departments to coordinate this program with the City’s other responses.

The minimum number of 300 households was based on how many households could be assisted if they all received the maximum funding of \$2,500 per month. In reality, it is very possible that not everyone will need anywhere near this much funding, particularly in that we are now focusing on lower income households and those that already receive other forms of assistance. As a result, it is now anticipated that more than 300 households will be assisted. This program will use both CPA funding with the federal CARES CDBG funding received by the City to assist with housing stabilization. If these programs continue in the future, it is possible that further coordination between programs could be achieved.

2. On other matters, I agree we need to approve this now, require widely distributed advertising in multiple languages, extend the application period (which will as well better inform the need), assure that the money goes to those in greatest need, be realistic about how many apps. can be

processed (well) over what period of time, use the outside resource that MetroWest presents and require periodic reporting.

As noted in Councilor Albright's Question #1 (Page 1) translation services are available for both the application on the website and for anyone calling into the program looking for assistance. The City is planning to widely publicize the program with both online resources, articles and handouts. Staff is also working with other affordable housing and assistance programs to make sure that the program information is available to the target population and about the possibility of translating flyers and program materials. The City will continue to partner with MWCD throughout this program, will require regular monitoring efforts and will review program documentation on at least a monthly basis which meets all of the CDBG and CPA program requirements.

Councilor Kelley Questions:

- 1. To the best of my knowledge, MetroWest does not have experience with the necessary social service components needed to effectively administer a program such as this. They are an excellent group, I have no doubt about that, with experience in conducting a lottery and housing. My question was not aimed at impugning their reputation along those lines, but attempted to delve more into the specifics of providing relevant social services to the housing emergency needs. If not in their wheelhouse, where will this component come from?**

This program is only designed to provide emergency housing relief funds to those who meet the income requirements and have been negatively impacted by the COVID-19 crisis. No further social services are included in this program and the City has not requested that MWCD be prepared for such work. MWCD has extensive experience with the tasks required by this project including holding affordable housing lotteries, creating and maintaining waitlists, completing the income eligibility reviews for submitted applications, and working with applicants to ensure that their funding can be received on a timely basis.