

10 Leighton Road
Auburndale, MA 02466
May 4, 2020

Lara Kritzer, Program Manager,
Community Preservation Committee
City of Newton
1000 Commonwealth Avenue
Newton, MA 02459

RE: COVID-19 Emergency Housing Relief Program

Dear Ms. Kritzer:

I write in support of the current proposal from Mayor Fuller through the City of Newton Planning & Development Department to establish an emergency rental and mortgage assistance program, to alleviate the effects of the Covid-19 emergency on Newton's most vulnerable residents. As this unprecedented crisis unfolds rapidly, time is not on the side of tenants or homeowners who find themselves, through no fault of their own, with less income, more expenses or both.

Before the Covid-19 pandemic appeared, many renters and owners in Newton were experiencing housing cost burdens. According to the Metropolitan Area Planning Commission (MAPC), 23% of Newton residents earn less than 80% of area median income (AMI). Over 75% of those Newton households earning less than 80% of AMI are cost burdened, which is defined as paying greater than 30% of income for housing. 15% of *all* Newton households are *severely* cost burdened, meaning they pay more than 50% of their income for rent housing. These disparities affect both renters and owners, although the burden is worse for renters. Many such households are at risk of homelessness or displacement: the economic dislocation caused by a layoff or other loss of income can be a trigger for eviction or foreclosure. The Commonwealth's recent legislation establishing an eviction moratorium and required lender forbearance will assist in the short run, but it does not eliminate the household's ultimate continued payment obligation.

Similarly, although the federal CARES Act provides much-needed protection for many renters and owners, it does not provide actual relief from the financial obligations of tenants not currently receiving subsidies or homeowners. Eviction protection in HUD-assisted housing likewise allows deferral of rent payments, but does not eliminate these obligations. Mortgage forbearance is available for mortgages through FHA, Fannie Mae or Freddie Mac but, again, the deferred payments must ultimately be made up, even if the mortgage is modified.

Finally, some tenants receive rental assistance either in public housing or through HUD's Section 8 program. If these residents experience a loss of income, they have the ability to increase their subsidy and decrease the share of the rent that they pay. However, tenants eligible for this rental assistance are among the lowest-income in the city. The average income in the Newton Housing Authority's (NHA) portfolio is \$14,030/year. The current experience of NHA is that even after rental subsidies are adjusted after a loss of income, assisted families are experiencing other shocks, including food insecurity.

This circumstance requires both rapid action, ease of administration, flexibility and fairness. The City of Newton has found a way to utilize existing resources and re-allocate them for this purpose, in a way that

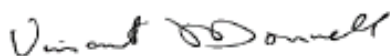
addresses these criteria. Although there are details to be resolved in order to implement any final program, the proposal is a good framework for moving forward because:

- It will serve both homeowners and renters;
- It is an eligible use of currently available funding sources that are under the City's control;
- By blending CDBG and CPA funds, it will cover a wide range of eligible incomes, up to 100% of Area Median Income (AMI);
- Although It combines two funding sources, from the perspective of the applicant this will functionally be one program;
- The assistance is clearly limited to an emergency time interval of three months, sending a clear message that it is not a permanent rental subsidy;
- It reflects guidance for best practices for emergency rental assistance programs developed by the Massachusetts Housing Partnership (MHP), as well as consultation with peers in other municipalities.

In my opinion, this program is both necessary and timely, and I recommend approval. I do want to make two comments at this time about the program structure:

- Because the actual situation is rapidly evolving, I recommend incorporating authority for the administration to exercise flexibility, within the constraints of the underlying programs, to amend the rental assistance program's guidelines if shown necessary by experience.
- I recommend reconsidering the exclusion of tenants currently receiving rental assistance. These are by definition the very poorest, who struggle to meet everyday needs even with existing federal rent subsidies.¹ In my role as a commissioner of the NHA, I've learned that the housing authority has identified a number of its assisted residents who are experiencing increasing economic distress. Providing relief on a par with unassisted tenants (i.e., covering 70% of the actual tenant share of the rent), at a per-tenant cost much smaller than the citywide average, would accomplish a great service at a relatively small portion of available funds. I recognize that this suggestion would require further discussion of several issues, such as compatibility with funding sources' regulations as well as of the mechanism for selection.

Thanks again for conceiving and developing this important initiative. If I can be of any assistance as the program unfolds, please don't hesitate to contact me.



Vincent F. O'Donnell

cc: Amanda Berman, Director of Housing and Community Development, City of Newton Planning and Development Department
Gabriel Holbrow

¹ See, for example commentary from The Urban Institute at https://www.urban.org/research/publication/covid-19-pandemic-straining-families-abilities-afford-basic-needs?cm_ven=ExactTarget&cm_cat=UIU+-+4.30.2020&cm_pla=All+Subscribers&cm_ite=https%3a%2f%2fwww.urban.org%2fresearch%2fpublicati on%2fcovid-19-pandemic-straining-families-abilities-afford-basic-needs&cm_ainfo=&&utm_source=%20urban+newsletters&&utm_medium=news-UIU&&utm_term=URBAN+COVID19&&

From: Marc C. Laredo <mlaredo@newtonma.gov>
Date: Sun, May 3, 2020 at 6:44 AM
Subject: Re: Use of CPA funds for rental relief
To: Susan Albright <susansophia.albright@gmail.com>

Susan,

Thank you for the information. I think it would be helpful if the memo in the packet is able to address the following:

1. The legal authority to use the funds in this way (my understanding is that the statute does provide this authority but it would be good to have that in writing).
2. An estimate for the total need for such funds in Newton and why, given the ban on evictions, this is the best use of funds to provide immediate COVID-19 relief.
3. What other sources (federal, state, local, and non-profit) are available to provide this type of assistance. Will these funds replace or supplement these sources.
4. Who will be administering the funds and what will be the costs of this administration.
5. What will not get funded because we are using funds for rental assistance.
6. Who will be eligible to receive funds and how will we verify eligibility. Will the funds be solely for rent or will homeowners be eligible.
7. How will the funds be distributed (first come, first served; a cap on total amount received).
8. What efforts will recipients need to make to seek relief from their landlords (or, if homeowners are eligible, mortgage holders) before being able to receive funds and how will we verify those efforts.
9. Will the funds be paid directly to landlords (or mortgage holders) on behalf of recipients or to the recipients to then use for rent.
10. Will these funds be loans or grants.
11. What post-distribution audit or review will take place.

Again, thank you in advance for trying to get this information. I think it will make for a better, and perhaps quicker, discussion.

Marc

Received by email 5/3/2020

Dear Lara,

I am of the opinion that the final proposal as submitted raises some questions which need to be considered. In addition. I believe that the Program Guidelines

and the Application are not user friendly. I have pointed out the places in which a lack of information will impede the submission of a "completed" application.

Would you please submit this email and the attached document to both the the Community Preservation Committee and the Planning and Development

Board to be considered as part of their deliberations regarding the proposal cited above at its meeting on May 4th? In addition, would please also include them in the public record of the May 4, 2020 hearing.

Thanks, Josephine McNeil

617-543-8097

CPA AND CDBG RENTAL PROPOSAL

QUESTIONS THAT SHOULD BE RAISED

GENERAL QUESTIONS:

Has Newton law department reviewed and approved of the following:

1. Program agreement to be sure it conforms to HUD guidance regarding COVID 19 and Mass DHCD's guidance with respect to the state eviction moratorium?
2. Language in the application?
3. The agreement between Metro West (MW) and the city specifically with regard to liability in the distribution of the funds?
4. The level of liability insurance that MW should carry?
5. Does the City of Newton have a statement as broad as the one set for in the Affirmative Marketing statement in the Draft Guidelines?

DRAFT PROGRAM GUIDELINES DOCUMENT

PROGRAM OVERVIEW;

1. Given the schedule is it anticipated that most people will request funding for April, May and June?
2. What is the documentation required to demonstrate financial hardship due to COVID 19? Shouldn't that be stated?
3. What are examples of locally administered support? Shouldn't they be named?
4. What is the timing of the lottery, does that mean the check will be issued at some point after June 3rd but before July 1st for all 3 months?
5. Is this the document that will be sent with the application? If so it should include:
 - MW operating hours should be included in
 - Method by which MW will provide paper applications? Pick-up and/or mail (if mail should be delivered priority with signature required.
 - Applicant should receive acknowledgement of receipt via email or letter.
 - What sources of income will make-up household income - they should be listed.

Household Eligibility:

1. What is required to demonstrate financial hardship? It should be stated
2. What is required to demonstrate financial hardship? It should be stated.
3. For the purposes of this application will the stimulus payment (the \$600 extra in unemployment insurance or the family \$1200 plus payment) be considered income? The Internal Revenue Service has determined that neither stimulus payment should be included as income for state or federal income purposes.

PROCESS:

1. The requested documents needed for a complete application should be listed.
2. Applicants should be given the opportunity to review the program agreement.
3. Who and how will assistance be provided to non-English speakers, those with cognitive, visual or other disabilities? Hours available should be stated.
4. Who and how will assistance be provided for those with limited computer access? hours available should be stated.
5. Will those with a need for a reasonable accommodation be extended time to submit application?

Removal from Waiting Lists:

1. How will applicants who are without computer access be notified of their place on waiting list?
2. A period of 5 days may be insufficient if the landlord is absentee; if the applicant is a homeowner it is more likely than not that the 5 day period is insufficient.
3. Is five-day period, calendar or business days?

Marketing Activities:

1. Period of time that the applications are available and date applications are due should be distinct.
2. Marketing efforts should be expanded to include:
 - Mail notification to each occupant of City Assessor's list of multi-family properties
 - Notification to houses of worship and with a request they distribute to members.
3. Who will determine which local receive employers receive information?
4. Why send marketing information to nonprofits in surrounding communities?
5. Which neighborhood and community list serves will receive information?

QUESTIONS ABOUT APPLICATION

Should there be a statement at the top of the application stating the funds are ONLY for assistance due to loss of income related to COVID-19?

Under Part I: What is the purpose of the veteran question?

What is the significance of the statement - Do you have an application for unemployment assistance pending?

Under Part 4 - 3rd bullet refers to an appeal process. How can one appeal to the entity that is reviewing the application? Is there a legal difference between MW? and its Board of Directors?

Received by email 5/3/20

Dear Lara,

Thank you for sending the information about the CPA funds for rental assistance. As you know, the League is supportive of an expedited process. However, it does present some challenges that we think should be addressed. If we understand the timeline, the CPC and P&D Board will review the proposal, receive public comment and vote all on the same evening. Assuming that there will be some changes to the proposal after the meeting the concern is that there will not be an opportunity for comment on the final proposal before it is presented to the City Council for a vote. To address this, will you be posting the final document so that the public can review before going to the City Council? This would be important so all can see what is being submitted for a final vote.

A few League members, including myself, will be in attendance on Monday evening so that we can hear the conversation. However, in order for the CPC to have our thoughts that may guide your presentation and their discussion we are submitting a few questions. Please see below:

1. Metro West Collaborative Development (MWCD) was selected as the program administrator. As not everyone is familiar with MWCD, we think that it is important for the following questions/information be shared with the CPC and the public.
 - a. In the proposal, there was not any documentation as to how MW was identified as the best candidate for this role. Was there an RFP, if so can you please share the document? If not, was there any documentation with the selection criteria that they had to meet, vs other organizations? If MW was sole-sourced how did you make that decision, what experience/capabilities made them the best choice?
 - b. With 300 applications by the June 3rd lottery date, how will Metro West meet this demand over a very short period? For example do they currently have sufficient staff or will they be hiring staff? If the latter, what will be the process for advertising/sourcing hires etc.
 - c. In the budget there is a \$187,500 Program Admin Fee. What documentation will MWCD be providing regarding their budget [pre/post program implementation] and how funds will be/were spent? In addition, how did MWCD arrive at the \$500 per case figure?
 - d. According to the program timeline, the marketing and application processes are concurrent. Given that it will take time for eligible residents to learn about the program, complete the application, coordinate with their landlord/lender, how realistic is this timeline? Would you consider having two process deliverables: one for marketing and one for the application process?
2. What plans do you have for families who will need assistance beyond the 3 months?

Thank you for taking these thoughts into consideration.

Kind regards,



[League of Women Voters Newton](#)

(Mobile) 617-581-9314

P.O. Box 610207, Newton, MA 02461

Received by email 4/29/20

Lara Kritzer
Community Preservation Program Manager
City of Newton Planning & Development Department
1000 Commonwealth Ave.
Newton, MA 02459
lkritzer@newtonma.gov

Regarding: COVID-19 Emergency Housing Relief Program

Dear Ms. Kritzer,

Thank you for issuing a meeting invitation to the community regarding a proposed \$2M spend on rental relief, as well as mortgage relief for those with deed restricted affordable housing mortgages. As a commercial real estate broker, I am involved right now with many companies attempting to achieve rent relief. Here are my observations which apply across asset types:

- Landlords are willing to provide relief as a way to keep tenants. Outside parties do not need to get involved. In the case of the City of Newton, there is no need to get between principals (Tenant and Landlord; mortgagee and mortgagor). The parties are capable of amending contracts on their own and/or of achieving straight-up relief on their own. My observations at the commercial level is that two month of rent relief is customary presently. This may include two months of completely waived payments, or two months of additional lease term at the back end; and in the case of a mortgage, a re-amortized loan typically without a longer term or higher payment (this made possible due to low/zero rates).
- Existing legal infrastructure at the state level protects vulnerable populations. The City of Newton does not need to go beyond this. Please see state guidance here: <https://www.mass.gov/info/details/covid-19-dhcd-website>
- The \$2M may be poorly targeted. Those at the lower end of the economic spectrum are being made whole by the design of the federal/state unemployment/EIDL/PUA/PPP relief package. Wages are being replaced at more than 100 percent (at the low end of the wage scale) through unemployment compensation topped up through the end of July, the very period this \$2M package is designed to cover (three months relief including the months of May, June and July).
- Are we cross-seeding Newton's \$2M regionally? Though Metro West Collaborative Development is located in Newton, its members are located throughout the state. Is there a risk this money could be spent to cover administrative costs that primarily support non-City of Newton housing authorities? If we love this idea so much, why outsource it? The City of Newton can handle the administration of \$2M on its own.

Ms. Kritzer, please advise if this letter becomes a public comment and if not, what steps are needed to attach this letter as a public comment for the May 4th package.

Sincerely,
Valerie Pontiff
27 Waban Hill Road
Chestnut Hill (Newton), MA 02467
617-230-9839 (cell)

From: Robert Fizek <rjfizek@gmail.com>

Sent: Tuesday, April 28, 2020 9:10 PM

To: Lara Kritzer

Subject:Comments to CPC Housing Relief proposal

[DO NOT OPEN links/attachments unless you are sure the content is safe.]

Although I am understanding of the desire to support families and individuals with emergency needs, as far as I know this is not a use that CPC is designed for.

Any proposal of this kind at this rather late point in the pandemic cycle, would need to be very careful in determining these needs without being wasted in administration or redundant of other supports.

In this case we could be expending resources in the short term, when the same can be used for providing truly affordable housing in the long term.

Furthermore...

In this and all similar programs... The use of Newton's very high median income is NOT an appropriate threshold for qualification for supports. -if it's truly mean to provide for persons of real need.

Here's another idea:

All Newton Residents will be receiving \$1200 or more from the US Treasury.

Many Newton residents don't need this money.

Challenge the well off of our community to donate to this amount -or more- to fund existing food and housing assistance organizations to help those of greater need.

Robert Fizek

Newton Highlands

From: Robert Kavanagh <kavanagh@rcn.com>

Sent: Tuesday, April 28, 2020 7:31 PM

To: Lara Kritzer

Subject: Re: Newton CPC: April 2020 Update

[DO NOT OPEN links/attachments unless you are sure the content is safe.]

Hello

I read with interest the newsletter that I received today from the CPC. I am extremely proud that Newton citizens are willing to help with their tax dollars neighbors who are under financial stress at this time.

I am curious what area landlords said when you and the MWCD asked them what financial help they would be providing at this time. I think it is incumbent that landlords also provide help. The financial aid provided by the landlords would enable the city to stretch its own limited funds and thus be able to help even more Newton residents.

I am anxious to know what the real estate community's response was when you asked them.

Thank you in advance.

Stay well

Bob Kavanagh

69 Court St (this is a two-family house) Newtonville, MA 02458

617-964-1136