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Barney S. Heath  
Director

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**MEMORANDUM**

**DATE:** November 12, 2020

**TO:** Councilor Crossley, Chair, Zoning and Planning  
Members of the Zoning and Planning Committee

**FROM:** Barney S. Heath, Director of Planning and Development  
Amanda Berman, Director of Housing & Community Development  
Lara Kritzer, Community Preservation Program Manager

**RE:** **City of Newton COVID-19 Emergency Housing Relief Program Update**

**CC:** Jonathan Yeo, Chief Operating Officer  
Planning & Development Board  
Community Preservation Committee  
City Council

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This memo provides an update on the status of the Emergency Housing Relief Program.

If you have heard from any of your constituents directly regarding their need for housing assistance during the pandemic, please let us know, as we are continually looking for additional data around the state of need in Newton. You can email Amanda Berman at [aberman@newtonma.gov](mailto:aberman@newtonma.gov) to discuss the specifics.

**Households Served and Funding Awarded To-Date:**

As of October 31, the program has successfully assisted a total of **201 households**. Of these 201 cases, 6 households have received mortgage assistance, while the remaining households have received emergency rental assistance. Through the end of October, the program awarded a total of **\$897,453** of direct rental and mortgage assistance to eligible households, at an average monthly housing payment of approximately \$1,410 per household.

When the program first launched in the spring, the maximum amount of assistance per household was capped at three months; however, in early September, the Community Preservation Committee (CPC) voted to extend the timeframe by three months. Planning Department staff and Metro West Collaborative Development, who is administering the program on behalf of the city, believe that since July, the program has served a large portion of the most vulnerable households in Newton who have been financially impacted by COVID-19. As we stated to the CPC in September, while there are surely some households that will enter the program for the first time later in the fall and into the winter as they are let go from their employment, exhaust their savings, or realize that their ability to financially ride out the crisis is becoming more challenging, we feel strongly that the initial cohort of extremely low and low-income households first served in July, August, and September will continue to need the greatest financial support throughout the coronavirus pandemic.

While the marketing for the program launched on May 13<sup>th</sup>, the first batch of assistance was not released until late June, in time for July 1<sup>st</sup> rent and mortgage payments.

- **“July cases”** - 154 households first received emergency housing assistance for the month of July. Under the original program guidelines, the assistance for these July cases would have run out after September, but because of the three-month extension, all “July” households that could still prove program eligibility at that time were offered an extension of three months of assistance in time for October 1<sup>st</sup> rent and mortgage payments. Of the 154 July cases, 134 households (87%) extended their assistance for another three months; 5 households have yet to respond to Metro West’s outreach; 6 households have moved out of Newton; and 9 households no longer needed the assistance.
- **“August cases”** – 29 new households received emergency housing assistance for the first time for the month of August. These “August cases” were eligible to receive assistance for the months of September and October as well. Those that were able to prove continued program eligibility in mid-October were offered an extension of three months of assistance in time for November 1<sup>st</sup> rent and mortgage payments. Of the 29 August cases, 18 households (62%) extended their assistance for another three months; however, Metro West believes that this number will increase over the next week or so.
- **“September cases”** - 6 new households received emergency housing assistance for the first time for the month of September. These “September cases” were eligible to receive assistance for the months of October and November as well. Those that are able to prove continued program eligibility in mid-November will be offered an extension of three months of assistance in time for December 1<sup>st</sup> rent and mortgage payments.
- **“October and November cases”** - 12 new households received emergency housing assistance for the first time for the month of October, and thus far, 4 new households have received assistance for the first time for the month of November. One of the 12 households in October received mortgage assistance.

**Characteristics of Households Served To-Date:**

Over 90% of households served by the program as of the end of October have an annual income at or below 65% AMI (post-COVID). Of these 201 total households, approximately 55% have an annual income at or below 30% of the area median income (AMI), with an additional 26% between 31% and 50% AMI. Approximately 10% of the households have an annual income between 51% and 65% AMI, and the remaining 9% of program households have an annual income between 66% and 80% AMI.

Many of these households were employed in the restaurant industry and gig economy pre-COVID. While some of these individuals have begun working again, many are not back to their normal work schedules and earning levels. Other forces working against these vulnerable households include the October 17<sup>th</sup> expiration of Governor Baker’s eviction moratorium, as well as the July 27<sup>th</sup> expiration of the additional \$600 of federal unemployment benefits provided to Americans out of work because of the virus.

Of these 201 households assisted by the program, six received mortgage assistance (the mortgage assistance is limited to only those Newton households that reside in deed-restricted affordable housing units). The average amount of financial assistance provided to the households assisted is approximately \$1,410 (which represents 70% of a household’s monthly rent or mortgage payment).

The following table shows the racial and ethnic breakdown of these 201 households. Approximately 40% of households identified as white, 16% as Black / African American and 11% identified as Asian. 28% of the households identified as Hispanic/Latino.

| <b>RACE/ETHNICITY</b>           | <b>% of Total</b> |
|---------------------------------|-------------------|
| White:                          | 40%               |
| Black/African American:         | 16%               |
| Black/African American & White: | 0%                |
| Asian:                          | 11%               |
| Asian & White:                  | 0%                |
| Hispanic/Latino                 | 28%               |
| Other Multi-Racial:             | 5%                |
|                                 |                   |
| <b>TOTAL Households Served</b>  | <b>100%</b>       |

**Max Assistance Extended from 3 to 6 Months:**

When we first conceived of the program back in April, at the beginning of the coronavirus crisis, we assumed a worst-case scenario in terms of the number of households that would qualify for and seek assistance. In addition, when we estimated that the program would serve at least 300 households, we

utilized the max amount of assistance that a household could receive through the program - \$7,500 for three months (\$2,500 per month).

Since May, we have learned a lot about the program and the households that are receiving assistance. Not only are the incomes of those served much lower than we originally expected, with over 90% of participants at or below 65% AMI, but the average monthly rent or mortgage per assisted household is significantly lower than expected (approximately \$2,000 versus the estimated \$2,250). Therefore, the average amount of financial assistance provided per month per household has been approximately \$1,410. This reduction in funds required to date offered an opportunity to both extend the safety net for those vulnerable households currently enrolled in the program and at the same time allow for new eligible households to be assisted for this longer stability period of six months.

Given the actual data we had on-hand in early September from the months of July and August, staff, in consultation with Metro West Collaborative Development, estimated that an additional 25 new households will come into the program each month for the foreseeable future, at an average amount of assistance per household per month of approximately \$1,300. When we looked at projections related to extending the maximum amount of assistance per household to six months, we estimated that the program could serve **approximately 299 households** between July 2020 and June 2021. Under these assumptions, the program would be able to accept new eligible households into January 2021.

Since early September, however, we have seen that fewer new households have entered the program each month. In September, we saw 6 new households; 12 in October; and thus far in November, 4 new households. If we lower the estimated new households per month to 15, rather than 25, we estimate that the program could serve **approximately 300 total households** between July 2020 and October 2021. Under these new assumptions, the program would be able to accept new eligible households into May 2021.

The attached spreadsheet shows updated projections for the program under the new six-month max assistance guidelines.

**Attachment:**

- Direct Financial Assistance Budget Scenario: Max assistance to 6-months (updated November 12, 2020)



| October cases (Actual): October - March  |     |  |  |   |   |   |   |                           |
|--|-----|--|--|---|---|---|---|---------------------------|
| Actual Number of October cases   |     | Total Amount to Be Paid Out for Oct. (Actual)      | Total Amount to Be Paid Out for Nov. (Actual)    | Total Amount to Be Paid Out for Dec. (Actual)     | Total Amount to Be Paid Out for Jan. (Actual) | Total Amount to Be Paid Out for Feb. (Actual) | Total Amount to Be Paid Out for March. (Actual) | Total for October cases   |
| 12   | n/a | \$15,795.50  | \$15,795.50                                      | \$15,795.50                                       | \$15,795.50                                   | \$15,795.50                                   | \$15,795.50                                     | \$94,773.00               |
| September cases (Actual): September - February   |     |  |  |   |   |   |   |                           |
| Actual Number of September cases   |     | Total Amount to Be Paid Out for September (Actual) | Total Amount to Be Paid Out for October (Actual) | Total Amount to Be Paid Out for November (Actual) | Total Amount to Be Paid Out for Dec. (Actual) | Total Amount to Be Paid Out for Jan. (Actual) | Total Amount to Be Paid Out for Feb. (Actual)   | Total for September cases |
| 6  | n/a | \$5,401.00   | \$5,401.00                                       | \$5,401.00  | \$5,401.00                                    | \$5,401.00                                    | \$5,401.00                                      | \$32,406.00               |
| August cases (Actual): August - January  |     |  |  |   |   |   |   |                           |
| Actual Number of August cases  |     | Total Amount Paid Out for Aug. (Actual)            | Total Amount Paid Out for Sept. (Actual)         | Total Amount Paid Out for Oct. (Actual)           | Total Amount Paid Out for Nov. (Actual)       | Total Amount Paid Out for Dec. (Actual)       | Total Amount Paid Out for Jan. (Actual)         | Total for August cases    |
| 29   | n/a | \$41,042.20  | \$41,042.20                                      | \$41,042.20                                       | \$41,042.20                                   | \$41,042.20                                   | \$41,042.20                                     | \$246,253.20              |
| July cases (those first processed in June and July for July rent and mortgage payments): July - Dec. |     |  |  |   |   |   |   |                           |
| Actual Number of July cases  |     | Total Amount Paid Out for July (Actual)            | Total Amount Paid Out for Aug. (Actual)          | Total Amount Paid Out for Sept. (Estimated)       | Total Amount Paid Out for Oct. (Estimated)    | Total Amount Paid Out for Nov. (Estimated)    | Total Amount Paid Out for Dec. (Estimated)      | Total for July cases      |
| 154  | n/a | \$192,649.11                                       | \$192,649.11                                     | \$192,649.11                                      | \$192,649.11                                  | \$192,649.11                                  | \$192,649.11                                    | \$1,155,894.66            |
| <b>Total amount projected to be paid out (under 6-month max assistance model)</b>                    |     |  |  |   |   |   |   | <b>\$2,309,326.86</b>     |

Remaining Direct Financial Assistance Budget

\$3,173.14

| Direct Financial Assistance Budget (not to exceed) |                    |
|--|--------------------|
| CDBG   | \$462,500          |
| CPA  | \$1,850,000        |
| <b>Total</b>                                       | <b>\$2,312,500</b> |

Estimated # of Total HH's Served:

301