

Needham Emergency Rental Assistance Program

Article 10

NEEDHAM AFFORDABLE HOUSING TRUST PRESENTATION

SPECIAL TOWN MEETING

OCTOBER 4, 2020



Statewide Context

- **83 communities** in Massachusetts have adopted Emergency Rental Assistance Programs to provide assistance to those who have lost income from COVID-19, up from 48 reported in May.
- A total of **\$30 million** has been committed by these communities.
- Over 50% of the funding is from CPA or local Housing Trust Funds. CPA eligibility relates to the program's "support for community housing" that includes direct assistance to eligible individuals and families.
- Average rental assistance pledged per community is about \$460,000, excluding Boston.
- Program commitments range from \$15,000 to \$8 million.
- Average maximum assistance per participating household is \$3,850.
- Centers for Disease Control & Prevention eviction moratorium through December 31, 2020.

Funding Request

- **Article 10 Appropriation Request:** \$120,000 in CPA funds to cover rental assistance and administrative fees. The Community Preservation Committee voted to fund \$100,000 from the Community Housing Reserve and \$20,000 from Community Preservation Fund receipts.
- **Total Project Budget:** \$170,000. This includes \$120,000 in CPA funds with an additional \$50,000 that has been secured by the Foundation for Metrowest through the Massachusetts Covid-19 Relief Fund. We estimate being able to serve 65 households.
- **Purpose:** To provide temporary rental assistance for qualifying tenants living in scattered rental units throughout Needham who have lost income due to the COVID-19 health crisis.

Community Need

- There are **1,770 rental units in Needham**, according to the Town's 2019 Housing Profile.
- **939 or 53% of rental units were occupied by those earning at or below 80% AMI**, of which approximately **630 are market rentals and eligible for this program**.
 - 555 renters or 59% were paying more than 30% of their income on housing costs.
 - 355 or 38% were paying 50% or more of their income on housing.
 - 719 households were earning at or below 50% AMI many likely NHA residents or living in other subsidized units.
- At the height of the shutdown, Needham's **unemployment rate more than quadrupled, from 2.5% to 10.9%**.
- The Federal Reserve Bank of Boston estimates that 36% of renters in New England are at risk of not being able to make their rent payments due to the pandemic.
- Program assistance could help keep existing renters in place when the CDC eviction moratorium ends (December 31).

Project Requirements (1 of 2)

Short-term Duration: 3 months of payments made directly to landlords.

Income Eligibility: Households earning at or below 80% of area median income (AMI) with a preference for those earning at or below 50% AMI. All participants must document loss of income due to COVID-19.

Income Limit	Household Size: 1	Household Size: 2	Household Size: 3	Household Size: 4	Household Size: 5	Household Size: 6
50% AMI	\$44,800	\$51,200	\$57,600	\$63,950	\$69,100	\$74,200
80% AMI	\$67,400	\$77,000	\$86,650	\$96,250	\$103,950	\$111,650

Project Requirements (2 of 2)

Monthly Payment: Assistance will cover 50% of a household's monthly rent with maximum monthly payments of \$1,500.

Unit Type:

- Those living in any private rental unit, including affordable Chapter 40B units, in Needham would be eligible for program assistance.
- Households living in Needham Housing Authority units, having a Section 8 Housing Choice Voucher, the Massachusetts Rental Voucher Program (MRVP) subsidy, or other housing subsidy would not qualify for assistance as they already are entitled to rent reductions if income is reduced. Residents of nursing homes would also not be eligible.

Implementation Roles & Responsibilities

Town of Needham:

- Obtain Community Preservation Committee and Town Meeting approval.
- Prepare a Request for Proposals to select a qualified Program Administrator.
- Enter into a Grant Agreement with the Program Administrator.
- Conduct Program marketing/community outreach.

Program Administrator:

- Prepare application materials.
- Accept online and hard copy applications and determine eligibility.
- Conduct a lottery if there are more applications than available funding.
- Enter into agreements with eligible households and landlords.
- Disburse monthly checks to landlords.
- Prepare monthly status reports on all operations.

Timeline

- September 16: CPC vote
- October 4: Town Meeting
- October: Procure program administrator
- November: Conduct program outreach
- November 30: Applications due
- December 11: Decisions made
- December 31: Federal CDC eviction moratorium ends
- End Dec/Early Jan: Rental assistance payments begin

Questions?

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