

**CHAPA
COVID-19 Affordable Housing Response Meeting
Friday, May 22nd, 2020 at 2:30 – 3:30 p.m.**

For the most updated information on affordable housing and the COVID-19 crisis, visit:
<https://www.chapa.org/housing-news/covid-19-affordable-housing-updates>

Notes

Welcome

Rachel Heller, CEO, CHAPA

Heller welcomed everyone to our tenth weekly call and reiterated CHAPA's intention to keep the community informed and updated on all housing and non-housing issues, resources and solutions. Heller acknowledged the work of everyone on the call for their tireless work to secure safe and affordable housing and communities for all.

MassHousing

Chrystal Kornegay, Executive Director

Kornegay highlighted MassHousing's key business lines and how they have responded to COVID-19. MassHousing is an independent, quasi-public agency that provides financing for affordable housing by raising capital through its bond sales and lending the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. In addition to lending, MassHousing is an originator and servicer of loans which are guaranteed by the federal government. According to Kornegay, the CARES Act puts entities like MassHousing in a bind as borrowers are entitled to forbearance while servicers remain obligated to pay their investors. Based on its successful programs over the past decade, MassHousing currently enjoys good liquidity and can meet its obligations to its servicers. Since its inception, MassHousing has provided more than \$24 billion for affordable housing. Kornegay gave a shout out to the entire MassHousing staff for pivoting to remote platforms and continuing to provide service to all its constituents.

MassHousing is still well positioned in terms of overall delinquencies experiencing a delinquency rate lower than the national average. Kornegay reported higher delinquencies have been limited to the FHA portfolio which is consistent across the country.

Kornegay underscored the relevance and timeliness of MassHousing's "MI Plus" program. Designed as a job loss protection program, MI Plus covers mortgage payments that a household is unable to pay for up to 6 months. MI Plus currently covers about 11,000 loans representing a significant portion of the portfolio. MassHousing has expanded its outreach to borrowers to remind those who are experiencing COVID

related job losses that they can avail themselves of this program. Consistent with national trends regarding borrowers' unable to meet mortgage payments, MassHousing reported a significant increase in calls related to missed payments. MassHousing has redeployed staff to respond to calls.

Kornegay briefly touched on other areas in the portfolio. All business units with the exception of down payment assistance, which dropped between March and April, remain stable. Requests to refinance are strong. With respect to their multifamily portfolio, borrower defaults do have a more significant impact on the bottom line as their payments are much larger. Nevertheless, to date, MassHousing has had only one request for forbearance.

With respect to construction projects, MassHousing has 44 projects under development many of which are close to completion or closed out. Kornegay expressed confidence that projects will proceed but as yet it is unclear how costs and delays will impact development.

Heller thanked MassHousing for its recent contribution of \$5M to RAFT. Kornegay indicated that MassHousing is planning to collect data from their borrowers to determine whether current borrowers accessing RAFT had higher median incomes until COVID occurred. Kornegay and other advocates continue to raise concerns that households between 50% and 80% AMI will need access to these benefits after current benefits provided by the CARES Act expire. Momentum needs to continue to expand RAFT.

Shelter & Permanent Supportive Housing Update

John Yazwinski, President & CEO, Father Bill's & Main Spring (FBMS)

Yazwinski provided an update on the programs offered and communities served by FBMS, and the increased demand for services during the COVID crisis. FBMS's mission is to prevent homelessness and find and maintain stable housing. FBMS provides emergency and permanent housing and assists clients in gaining skills, jobs and other services. FBMS serves 41 communities primarily in Norfolk and Plymouth Counties but extending to Bristol County and the Cape as well. Yazwinski reported that each night on average 260 individuals are housed in Quincy and 133 families are housed in Brockton. In the winter months, FBMS runs a temporary shelter in Plymouth.

FBMS works first to prevent individuals and families from entering shelter where possible, followed by a focus on finding permanent supportive housing. FBMS has a Housing Search team that works with a network of local landlords to help find permanent housing for families upon exiting shelter. Often times, this works in conjunction with HomeBASE funds, which is a state-funded program that covers up-front housing costs such as first and last month's rent, and security deposit.

FBMS staff use a triage approach to assisting each guest. They assess and meet guests' immediate needs and work with them to develop a service plan with the goal to gain permanent housing, access treatment, or receive other services they may need to achieve stability. Many guests helped by FBMS suffer from disabilities, chronic homelessness,

mental health challenges and substance abuse. FBMS's tenancy preservation program assists those in Housing Court with 85% of cases resulting in non-eviction outcomes.

Yazwinski emphasized the holistic nature of the services it provides families and individuals. Guests are able to enroll in WorkExpress, a social enterprise that employs dozens of individuals and offers skills training and on-the-job experience. WorkExpress is hired by local companies and municipalities to complete jobs such as office cleaning, graffiti removal, apartment flips, and landscaping.

FBMS owns or leases and manages over 550 units of permanent supportive housing which serves households with income of 0-30% AMI. Father Bill's impressive record speaks volumes. Under the Housing First model, 98% of residents remain housed for one year and 90% remain housed for three years.

Advocacy is critical to FBMS's mission and focuses on systemic system reform. FBMS is endeavoring to convert current congregate shelters to a new service delivery model similar to a medical emergency room with a robust suite of resources, a change brought about by necessity since COVID began.

Yazwinski stated that the "last six weeks have been the toughest in 23 years" as congregate shelters housed people within three feet of each other and, overall, had a 20% positive COVID infection rate before depopulating. FBMS has depopulated its Brockton shelter by setting up 5 MEMA tents while in Quincy they were able to secure other space. The new units are studios which provide the space and isolation necessary to insure everyone's health. The depopulation model posed challenges to staffing as the clientele demands intensive case management yet safety of staff meant that only a skeleton crew was able to work with the same or greater number of clients.

Yazwinski emphasized that the incurred costs of depopulating shelters has reached \$300,000 per month, and is taking a tremendous toll on resources as they have yet to identify a specific source of funds to cover costs. Along with Massachusetts Housing and Shelter Alliance (MHSA), they will be advocating for funds from FEMA and through HUD's Emergency Solutions Grant (ESG) for support for properties that allow, if not promote the depopulation strategy, by securing and converting excess space in hotels and motels or nursing homes to permanent supportive housing. Yazwinski has reached out for support to municipal leaders citing the public health crisis that the new model averts. However, permanent supportive housing suffers from tremendous NIMBYism and will need the support of the broader affordable housing community.

The COVID crisis is providing an opportunity to address systemic issues in how we care for and empower the most vulnerable among us. Before closing, Yazwinski offered a shout out to Father Bill's dedicated staff, particularly those who are currently on leave with COVID related illnesses.

Yazwinski closed with the profile of one of FBMS's first COVID positive cases. A veteran (which is another population supported by FBMS) who had sought shelter with FBMS in Brockton tested positive for COVID. He was able to recover and with the assistance of

FBMS staff, is now permanently housed in Hingham. Yazwinski looks forward to advocacy that increases resources and assures this outcome becomes the norm.

Impact of the COVID-19 Pandemic on New England Homeowners & Renters

Nick Chiumenti, Policy Analyst, New England Public Policy Center (the Center)

Chiumenti offered a summary of the recent research report issued by the Center on the impact of unemployment on the New England home and rent markets. Chiumenti encouraged all in attendance to download the report entitled, [“Impact of the COVID-19 Pandemic on New England Homeowners & Renters”](#). The report identifies households with one or more workers in industries with a high risk of furlough or layoff, adjusts for the impact of the benefits of the CARES Act before making projections on the magnitude of missed rent or mortgage payments and their impact on the New England economy. Data covers all of New England but is broken down by each state in the report.

By way of example of the report’s findings, Chiumenti pointed out that 1/3 of MA households (renters and owners) have one wage earner at risk of unemployment. A staggering 490,000 households are at risk of missing payments (without assistance from the CARES Act) at a cost of \$712M per month. With the benefits under the CARES Act, and under the most promising scenario, the number of households at risk drops to 122,000 for a total of \$194M in missed monthly rent or mortgage payments. Further data discusses scenarios when the CARES Act benefits expire.

The report highlights disparities between renter and owner households. There are more renter households with all wage earners at risk of furlough or layoff. In renter households, a full 20% are employed in high risk positions. Chiumenti points to another vulnerability of renters which is fewer other assets to cover rent payments. Overall in New England, 11% of home owners are at risk of missing monthly mortgage payments while 32% of renter households are at risk of missing a rent payment.

The report details various scenarios including the extent of benefits received, timing of those benefits and additional disparities between renter and owner households before analyzing the potential impact of furloughs and layoffs on households as well as the broader housing market including property owners and lenders. Chiumenti encouraged the audience to review the report. In addition, he gave a shout out to Tim Reardon at Metropolitan Area Planning Council (MAPC) for his work on the impact of COVID-layoffs at [“The COVID-19 Layoff Housing Gap”](#) and its updates. Both works offer a thorough and concerning analysis of the impacts of COVID on our households and our economy.

Federal Update

Ryan Dominguez, Senior Policy Analyst, CHAPA

Dominguez reported on two announcements by HUD indicating that the FHA extended the foreclosure moratorium deadlines through June 30th so that no new foreclosures could be filed. Additionally, it created more work flexibilities for lenders and appraisers with remote employment verifications and outside-only appraisals.

FHFA announced that Freddie and Fannie extended their foreclosure moratorium through June 30th with a payment deferral option starting July 1st allowing borrowers to repay any COVID related deferrals on an extended timeline, which could be at the time of refinance or at the end of the loan term with payment terms remaining the same. Hopefully, all non-federal lending institutions will institute a similar policy.

HUD also announced an additional \$77M to public housing authorities across the country to support 8300 housing choice vouchers for non-elderly population with disabilities. MA is expected to receive \$4.8M to be shared among its public housing authorities with additional information available [here](#).

The Office of the Comptroller of the Currency (OCC) reviewed comments and released a [final rule on the Community Reinvestment Act](#) (CRA). Unfortunately, concerns raised by CHAPA's comment letter including elimination of the separate investment test and the single ration evaluation, were largely unanswered. The OCC regulates much of the banking world and the impact of the final regulation is still unknown with a start date in year 2023.

State Updates

Eric Shupin, Director of Public Policy, CHAPA

Shupin shared the link of the [RAFT webinar resources](#) which contain answers to many of the questions raised earlier in today's meeting, policy changes and additional resources. CHAPA will be posting an FAQ which will cover any unanswered questions. Shupin acknowledged that the current RAFT limit is 50% AMI except in the case of victims of domestic violence where the limit is 60% AMI.

Shupin indicated that the [NOEA](#) for Community Development Block Grant (CDBG) funds has been posted. DHCD plans to target households earning 50-80% AMI in the Emergency Rental Assistance component. Additionally, \$10M will be available for micro businesses and other funds for homelessness prevention, job training and food.

With respect to the supplementary budget \$1B, the Governor plans to make \$14M available for public housing authorities and \$2M for emergency shelters. Of course, Shupin noted, the budget still needs to be passed by the legislature.

CHAPA has issued an [advocacy letter](#) supporting the additional \$50M for RAFT in which we urge that RAFT funds be made available to households earning up to 80% AMI with a maximum yearly benefit of \$10,000. Shupin urged all on the call to review our letter and share talking points with your members of the House and Senate.

Discussion/Q&A

Next Meeting scheduled for May 29th from 2:30-3:30