

**DRAFT (4/16/2020)**

**Short-Term Rental Assistance Program in Response to COVID-19 Pandemic  
in Massachusetts**

Submitted by Aaron Gornstein

We are proposing a short-term rental assistance program in Massachusetts to quickly address the inability of low-income families in state-assisted housing developments to continue paying rent over the next six months. This is only one component of a multi-pronged rental assistance strategy that should include expanding RAFT, providing new rental vouchers, and providing assistance to tenants living in market rate, unassisted housing. Key aspects of this proposed program are:

- It involves a partnership with the state housing agencies and participating private owners;
- It directs assistance in a nimble and flexible manner to those properties where residents are most in need of assistance and in which property owners are facing sharply reduced operating revenues.
- It seeks to utilize the CARES Act funding now rather than waiting for a state supplemental budget or additional federal stimulus funds, which is uncertain.

We recommend establishing a \$20 million program with funding from CARES Act sources (CDBG, ESG, and/or the Coronavirus Relief Fund) and quasi-public contributions. This will serve an estimated 5,000 low income households who will be at-risk of becoming homeless once the 120-day eviction moratorium is over. It will also help to ensure that owners will remain current on their mortgage payments and local property taxes.

**Eligibility for Receiving Assistance**

*For tenants:*

- Families living in properties assisted with Low Income Housing Tax Credits, but who are not receiving rental assistance, including state or federal tenant-based or project-based assistance.
- Families who have experienced a sharp drop in incomes as a result of the COVID-19 crisis and, therefore, are unable to pay a portion or the entire monthly rent.
- By opening up this funding stream to assisted housing residents it could take the pressure off the RAFT Program and help target that assistance to residents in unassisted private housing.

*For owners:*

- Owners must be in good standing with the Commonwealth.
- Properties that have been assisted with Low Income Housing Tax Credits in which at least one or more residents are not receiving rental assistance.

- Properties that have experienced a 10% reduction in gross monthly income since March 1, 2020 and which the owner may be at-risk of not paying their mortgage or local property taxes in the near future. Other factors, such as operating reserves, should be considered.
- Consideration should also be given to possibly assisting commercial tenants of assisted properties.

#### **Amount of Assistance Per Household**

- Eligible residents may receive up to \$1,000 per month for up to four months. Rent payments will be made directly to property owners. We recognize that CDBG funds allow for payment of up to three months' rent.

#### **Application and Funding Process**

- A task force comprised of one representative from each of the state housing agencies will approve funding applications. This includes the Department of Housing and Community Development, MassHousing, Massachusetts Housing Partnership, CEDAC, and MassDevelopment. One of the agencies will take the lead in distributing funds.
- New Lease for Homeless Families will screen applications from owners and submit these applications to the state housing task force for approval. Once approved, New Lease will allocate the funding to property owners. Alternatively, one of the state housing agencies could screen applications and allocate the funding to property owners.
- Property owners will obtain necessary documentation from residents and submit applications to New Lease on a rolling basis.
- Residents must provide to the owner documentation of income loss and the inability to pay monthly rent.