Emergency Rental Assistance Program
Administrative Plan
Effective March 22, 2021

Contents

Overview

The federal Emergency Rental Assistance Program (ERAP) is a new, federally funded emergency housing assistance program for renters impacted, directly or indirectly, by COVID-19. Funds are provided directly to States, U.S. Territories, local governments, and Indian tribes by the U.S. Department of the Treasury ("the Treasury"). Massachusetts will administer a portion of its ERAP funding through the Regional Administering Agencies (RAAs) through the existing contracts between DHCD and the RAAs as well as through the Commonwealth's existing Emergency Contract with the Nan McKay & Associates.

While funds are administered through the RAAs, ERAP is different from RAFT in some key ways, particularly around household eligibility, required documentation, and eligible expenses. This Administrative Plan outlines the guidance under which the RAAs will administer ERAP.

The guidance from the Treasury gives grantees—in this case, the Commonwealth of Massachusetts—discretion to design a program that complies with the federal guidance, but that may operate differently from other grantees' programs. Therefore, although informational and program materials from the Treasury may be useful, RAAs should use this Administrative Plan as the predominant guidance for ERAP.

Applications

Initially, at the time of the ERAP launch, applications will be received through the RAAs' existing channels via the existing DHCD RAFT/ERMA Joint Application. From an applicant's perspective, the ERAP, RAFT, and ERMA programs all fall under the umbrella of "emergency housing assistance." An applicant will not apply directly to RAFT, ERMA, or ERAP; instead, an applicant will apply for emergency housing assistance at their respective RAA. The RAA will make the appropriate determination for assistance, based on the applicant's application, supporting documentation, and any information shared by the applicant verbally or in writing throughout the course of the application process. RAAs may refer applicants to other locally or privately funded programs as well.

As DHCD and the RAAs continue to explore the possibility of a centralized application, this process may be subject to change during this contract term. DHCD will provide additional guidance as necessary ahead of any centralized application rollout or changes to the application process.

Until a Central Application is live, RAAs may continue using their existing RAFT Application (online, PDF, and paper) for the ERAP without further changes. However, each RAA must post this language on their website where the online application appears:

RAFT/ERMA applications may also be considered for the federal Emergency Rental Assistance Program (ERAP); no additional or separate application is required. ERAP includes benefits that can exceed $10,000 and include slightly different eligibility requirements, along with a preference for households who have been unemployed 90 days or more at the time of application or who have income below 50% of the Area Median Income. We will match you with the most appropriate program based on your needs and circumstances, and may ask additional questions beyond those in the application.

Household Eligibility

Households must meet the eligibility criteria below in order to be served through ERAP. A household that does not qualify for ERAP may still qualify for RAFT or ERMA.

COVID-19 Impact

Households must certify that they have experienced a financial hardship related directly or indirectly to COVID-19. A household's COVID-19 impact will be determined by their application: households eligible for ERAP are those who indicate by checking off the box on the application that yes, they have experienced a financial hardship related to or exacerbated by COVID-19. Households must provide a brief description of their COVID-19-related hardship on the application, but they do not need to provide verification of the hardship outside of this attestation. The current COVID-19 RAFT application question meets this requirement. However, documentation of the hardship may be requested at a later time for monitoring and/or audit purposes.

Having a COVID-19 impact might include one or more household members:

- Having qualified for unemployment benefits;
- Having experienced a reduction in household income;
- Having incurred significant costs due, **directly or indirectly**, to the COVID-19 outbreak; or
- Having experienced other financial hardship due, **directly or indirectly**, to the COVID-19 outbreak.

Households who do not attest on the initial application that they have a COVID-19-related hardship, but who are determined after consultation with an RAA to have had a COVID-19-related hardship, may be served through ERAP after attesting in writing that they are experiencing a hardship related in some way to COVID-19.

Risk of Homelessness or Housing Instability

Households must demonstrate that they are, at the time of application, at risk of homelessness or of housing instability. DHCD will continue to use the existing RAFT Housing Crisis list as the list of eligible circumstances under which a household may access emergency housing assistance. Because ERAP is only available for renters (see "Renter, or Moving into Rental Housing") below, the housing crisis options that apply to homeowners do not apply for ERAP. Below is the list of eligible housing crisis options for ERAP along with the documentation that may be used to verify the housing crisis.

Housing crisis	Description	Verification accepted (examples, not comprehensive)
Pre-court rental assistance	Household needs assistance with rent arrears or stipends but does not yet have a court notice	- Verification of arrears, such as a notice to quit or notice from landlord - Verification of inability to pay future market rent, such as a determination by RAA that income is not sufficient to pay rent
Eviction	Household has a court summons for eviction, or has already been to court. This could be for arrears or for another reason	- Court summons (Summary Process Summons and Complaint) - Court agreement

Doubled up and must leave/Overcrowding	Household is staying with family or friends and has been asked to leave, or household is residing in overcrowded housing and must leave	- Letter from primary tenant or landlord with address that verifies the household is being asked to leave - Other documentation to demonstrate that unit is too small for number of people living there, such as, but not limited to, a letter from the landlord verifying the number of people and bedrooms in the unit
Health and safety	Household is living in housing or other situation that presents a health or safety risk	Documentation to demonstrate a serious health or safety risk that necessitates monetary assistance, such as, but not limited to, a condemnation order from the Board of Health or a failed inspection report
Domestic violence	Household is at risk of homelessness or housing instability because of domestic violence	- Documentation to support a domestic violence allegation connected to an inability to stay safely in current housing - Other verification, including a self attestation from applicant
Fire/Flood/Natural disaster	Household is at risk of homelessness or housing stability because of a fire, flood, or natural disaster	Report of fire, flood, or natural disaster
Utility shutoff/Utility arrears	Household is at risk of utility shutoff, has already had services shut off, or owes arrears	- Current shutoff notice or bill showing past due balance - Verification that service has been disconnected or a bill is owed from a prior unit

Other crisis that will result in imminent housing loss or instability	Household is at risk of imminent homelessness or instability for a verifiable reason not listed above	• Documentation to demonstrate the housing crisis and imminent risk of homelessness or housing instability

Income at or Below 80% Area Median Income (AMI)

The household income limit for ERAP is 80% AMI. Income eligibility may be presumed or verified using a variety of methods, outlined below in the section labeled "Income Documentation."

ERAP will use the HUD Income Definitions when calculating annual household income, unless the household produces their 2020 Form 1040 in which case RAAs will use the Adjusted Gross Income (AGI) listed on the 2020 Form 1040.

Renter, or Moving into Rental Housing

ERAP is only for renter households, including those in market-rate housing as well as those in subsidized housing. This includes those seeking funds to remain in their current rental housing, as well as those seeking funds to move into new rental housing. DHCD anticipates that some households who are currently homeless (such as those who are doubled up, those who are in non-EA shelters, those who are living in unsafe situations, etcetera) will use ERAP to move into new rental housing. Homeowners are not eligible for ERAP.

Priority Applicants

The Treasury grants priority to two groups of applicants: 1) those where one or more members of the household has been unemployed for 90 days or longer at the time of application, and 2) those with income at or below 50% AMI. In order to implement these priorities a minimum of 50% of federal funds disbursed will be reserved for households in one of these two categories. DHCD will monitor spending to ensure this percentage is upheld.

Other Eligibility

ERAP does not have an immigration status requirement; households may be found eligible regardless of immigration status.

Benefit Cap

The benefit cap for ERAP is a maximum of twelve (12) months' worth of assistance, including both arrearage payments and any forward stipend, with an additional three (3) months of assistance available for those households with continued risk of housing instability. No household may receive more than the equivalent of its monthly contract rent amount for any given month.

Households who have already received RAFT or ERMA may receive ERAP in addition, as long as the programs do not cover the same expenses for the same month.

Eligible Uses of Funds

ERAP may be used for the following expenses on behalf of households who are experiencing an eligible housing crisis:

Rental Arrears

Rental arrears may be paid only for rent due on or after March 13, 2020, and arrears assistance payments cannot cover a period exceeding 12 months. Rental arrears must be documented by a Notice or Letter that breaks out the amount owed per month and year (e.g. Notice to Quit, Notice of Arrears, Rent Ledger, Court Agreement, or Court Summons).

Prospective Rent Payments ("Stipends")

Prospective rent payments, also known as stipends, may be paid for rent due after the time of the application but no later than December 31, 2021. If an applicant has rental arrears, at least a portion of the arrears must be paid in order for the applicant to receive an ERAP stipend. Parties may agree to a mix of arrearage payments, stipends and/or repayment agreement, so long as some arrears are paid. If the applicant has no arrears, ERAP may cover stipends only.

Prospective rent will not be paid if the tenant's rent is calculated as a percentage of income (e.g. public housing, rental voucher).

Each ERAP monthly stipend will pay for 100% of the household's full monthly rent amount, regardless of the household's income for a maximum of three (3) months, with no guarantee of additional stipend payments. Households who request assistance with prospective rent should be offered three months of stipends at 100% of monthly contract rent. If a household states that they do not need three full months, they may request one or two months instead.

Additional stipend payments beyond three (3) months may be made, depending on funding availability and household need. In order to access additional stipend, the household must reapply for assistance. Upon reapplication, the household must again present proof of continued housing crisis and re-verify monthly household income, unless income was previously verified using a 2020 IRS Form 1040.

Moving-Related Expenses

ERAP may cover moving-related expenses for those experiencing an eligible housing crisis. Moving-related expenses include: first and last month's rent, security deposits, moving trucks, and furniture. Furniture payments should not exceed $1,000 per household.

Utilities

Utility arrears are an allowable expense under ERAP, and a utility shut-off notice will not be required to make an arrears payment. Utility arrears must be demonstrated by an overdue notice. More information on the benefit will be finalized in future guidance.

Income Verification

Income eligibility may be verified using one or a combination of the following verification methods.

Department of Transitional Assistance (DTA) or MassHealth Verification

The RAFT emergency regulation (760 CMR 57) grants presumed income eligibility to households who are verified participants of any DTA or MassHealth programs. DHCD will allow this same presumption to

apply to households found eligible under ERAP, and RAAs should follow the same process for verifying DTA/MassHealth participation through those agencies that is currently used for the RAFT program.

Categorical Income Verification

If an applicant's household income has been verified to be at or below 80% AMI through another state or federal government assistance program, RAAs are permitted to rely on a determination letter from the government agency, or government-contracted agency that administers the benefit, so long as the determination letter for such program is dated on or after January 1, 2020. The following benefit determination letters are acceptable:

- Benefit determination letter from any DTA administered benefit program that serves households 80% AMI or lower, including SNAP, TAFDC, EAEDC, SSI, SSP (Note: RAAs should not request this and should instead use the existing DTA check through Interchange. However, if an applicant submits the letter as part of their application, the RAA may use it.)
- Eligibility letter for MassHealth (Note: RAAs should not request this and should instead use the existing MassHealth check through Interchange. However, if an applicant submits the letter as part of their application, the RAA may use it.)
- Income-based rent determination letter from a Local Housing Authority or Regional Administering Agency for state or federal public housing or subsidized housing vouchers (HCV/Section 8, MRVP/AHVP, DMH, DDS vouchers)
- Benefit determination letter from DHCD-contracted Local Administering Agency for LIHEAP program or Fuel Assistance
- Benefit determination letter for childcare financial assistance from the Department of Early Education and Care (EEC) or one of their contracted Child Care and Referral Agencies
- Benefit determination letter for Chapter 115 Assistance from the Department of Veterans Services

Applicant-Provided Income Verification

RAAs may accept income verification provided by the applicant, or by someone assisting with their application on behalf of an applicant, such as a landlord, advocate, or service provider. This is also known as "third-party income verification."

Federal guidance allows a household to demonstrate income eligibility based on either 2020 annual income or current monthly income. For annual income, RAAs may use adjusted gross income as stated on a copy of a household's IRS 2020 Form 1040 series. If a household demonstrates income eligibility based on 2020 annual adjusted gross income, RAAs do not need to verify current monthly income.

Alternatively, an applicant may demonstrate income eligibility based on current monthly income. The acceptable income documents for applicant-provided or third-party verification of current monthly income are as follows:

1. Wage income: Two paystubs dated within the last 60 days
   a. The paystubs do not need to be consecutive
   b. Multiple working household members do not need to provide paystubs from the same dates
   c. The two-paystub requirement is in effect regardless of whether pay is weekly, biweekly, or monthly (further explanation below)

   i. If pay is weekly, multiply average of pay stubs x 52

   ii. If pay is bi-weekly, multiply average of pay stubs x 26

   iii. If pay is monthly, multiply average of pay stubs x 12

   iv. If pay is at a different interval than above, then use alternate formula to annualize the total.

2. Social Security or Supplemental Security Income (SSI): most recent benefit letter dated within the last 12 months OR bank statement showing deposit dated within the last 60 days

  a. Benefit letter can be last year's benefit letter (no older than January 1, 2020) or a current benefit letter showing next year's benefit

3. Unemployment benefits: printout showing weekly payment amount dated within the last 60 days OR bank statement showing deposit dated within the last 60 days

4. Child support through DOR: DOR printout dated within the last 60 days OR bank statement showing deposit dated within the last 60 days

5. Child support not through DOR: letter from parent paying the child support, dated within the last 60 days, stating the child support amount and the frequency of payments OR bank statement showing deposit dated within the last 60 days

6. Other sources of income: letter or other verification showing current income dated within last 60 days

Database-Verified Income

Income can also be verified in two databases: UIOnline for unemployment benefits, FAST_UI for Pandemic Unemployment Assistance, and WageMatch for reported wages. If applicants submit applications that are missing income verification that can be verified from one of these sources, such verification should be the RAA's <u>first</u> method of verifying income, <u>before</u> resorting to contacting the applicant for documentation. RAAs only need to access the database that corresponds to the income stated on the application. Users at the RAAs with authorized access can verify these types of income using the following methods:

1. Earned Wages

  a. Look up the individual in WageMatch to verify any stated wage income on the application. To do this, RAA needs the individual's First Name, Last Name and Social Security Number.

  b. Annualize the verified income for the most recent available quarter preceding the date of RAFT application.

  c. Save the WageMatch report that includes the verification result in the applicant file.

  d. Use this verified income when determining income eligibility.

2. Unemployment Insurance (UI)

  a. Look up the individual in the UI Online Database to verify stated unemployment insurance income on the application.

  b. Annualize the most recent weekly benefit amount and dependency allowance paid to the individual, before other deductions and adjustments.

  c. Record the verification of UI income in the applicant file.

3. Pandemic Unemployment Assistance (PUA)

  a. Look up the individual in the FAST-UI database to verify any stated federal pandemic unemployment assistance on the application.

b. Annualize the most recent weekly benefit amount and dependency allowance paid to the individual, before other deductions and adjustments.
   c. Record the verification of PUA income in the applicant file.

Self Attestation of Zero Income

If an adult in the household has zero income, their zero income status may be self-attested in the application and does not require additional documentation.

Required Documentation

A file (digital or physical, or a combination of the two) must be retained for all applicants—both approved and denied households—that includes any documentation submitted as part of the application and records of any communication with the applicant, landlord, service provider, or other party involved in the application. In addition, the following documentation is required for all approved applicants ("participants"):

1. Identification for head of household
2. Verification of current housing (e.g. lease, tenancy agreement or tenancy at will form)
3. Verification of eligible housing crisis (e.g. notice of arrears or balance overdue, court summons, notice to quit, notice of eviction, or letter from host if doubled up)
4. Verification of income, or verification of presumed income eligibility (see "Income Verification" above)
5. W-9 for property owner or authorized agent
6. Authorization of agent, if applicable
7. Proof of ownership for unit

In the interest of streamlining applications during a time of high anticipated volume, RAAs are expected to refrain from requesting additional documents not listed above from households for the purposes of processing an ERAP application.

Hierarchy of Funds

Among the three similar DHCD programs (ERAP, RAFT, and ERMA), ERAP funds should be prioritized for new applications, as well as any applications that are pending at the time of this Administrative Plan issuance. ERAP funds should always be spent first, followed by RAFT or ERMA, depending on the household's income and needs.

DHCD anticipates that most applicants for emergency housing assistance will qualify for ERAP, but that there are some applicants—namely those without a COVID-19 impact and homeowners—who will access RAFT or ERMA instead.

Three-Month Recertifications for Prospective Rent

Households may receive three (3) months of assistance of prospective rent upon initial application (so long as, if the household has rental arrears, at least a portion of the arrears are also paid). Pending funding availability, households in continued crisis may be able to access additional prospective rent by recertifying their need for additional funds using a new streamlined recertification process, currently under development.

Recertifications are separate from reapplications and are only available for households who have already received one or more ERAP payments and now need additional *prospective* rent assistance. The recertification process will require less documentation than the full application, but will involve some level of documentation and information sharing between the applicant, landlord, and RAA. This process may be tied in some way to the new central application that DHCD is currently exploring. Thorough information on how to accept and process recertifications will be shared with RAAs in more detail no later than two months after the launch of ERAP.

Required Notifications to Applicants, Utilities, and Landlords

Applicants must be notified by email, phone, or mail at the following status changes. These notification requirements apply to all applications received using the joint RAFT, ERMA, and ERAP application, regardless of which program the applicant is ultimately served with.

- Receipt of application
- Upon review, if there is missing documentation, a request for missing documents that clearly states deadline to submit before application will be closed out (not less than 10 business days)
- Upon application close-out or denial, stating reason and process for requesting administrative review (see "Denials and Administrative Reviews" below)
- Upon approval of benefit, copying the tenant on any transmission of payment to the landlord, utility, or vendor

Program End Date

All ERAP funds must be expended by December 31, 2021. Stipend payments in HAPPY must be scheduled to end by that date.

Budget and Administrative Fee

A budget is attached in the RAFT contract amendment as Exhibit C-1. As with the RAFT budget, the ERAP budget and RAA allocations are subject to change throughout the contract period, based on spending rates across regions, application volume, and other factors.

Exhibit C (Approved Compensation) outlines the Administrative Fee paid to RAAs for applications processed for RAFT and ERAP.

Data Tracking and Reporting

ERAP participation and payments will be tracked in Housing Pro ("HAPPY"), a product of MRI Software, under a new Program. ERAP is a Program in HAPPY, and not an Increment of the RAFT Program. This means that households who need assistance through RAFT and ERAP (rare – likely only households who owe arrears pre-March 13, 2020 and post-March 13, 2020) would have to be enrolled in just one Program at a time. DHCD anticipates there may be some cases where a household who owes arrears from before and after March 13, 2020 may be considered for payments from both RAFT and ERAP. Because HAPPY will not allow households to be enrolled in two Programs at a time, RAAs who experience this issue should bring the case to DHCD for guidance on how to proceed.

Because funds are limited to 12 months of arrears, and arrears are paid in lump sums without specification of the months that they cover, RAAs will be required to complete data fields in the ERAP Program tab in HAPPY. The following data fields will be added at the program launch for all households served through ERAP, with new data fields added as necessary based on new DHCD or Treasury guidance:

- Earliest date of arrears covered (date field)
- Total number of months spanned by arrears payment (number field)
- Monthly rent amount

For example, if a household receives an arrears payment that covers partial rent for December 2020, January 2021, and February 2021, the RAA would fill in "12/1/2020" for "Earliest date of arrears covered" and "3" for "Total number of months spanned by arrears payment."

RAAs will use the DHCD custom Fiscal Report in HAPPY to provide monthly backup on expenditures to DHCD.

Denials, Close-Outs and Administrative Reviews

A household may be found ineligible for ERAP during the application process or after their application is complete. A household may also have an application "closed out" due to applicant or property owner non-response.

Ineligibility Letters ("Denials")

Households who are found ineligible must receive a Notice of Ineligibility/Termination with the appropriate ineligibility reason marked. The notice may be issued by email or mail. The ineligibility reasons are described below. Note that if a household is not eligible for ERAP but *is* eligible for RAFT or ERMA and is served with one of those programs, the household does not need to receive an ineligibility notice. If a household's application is "closed out" due to applicant or property owner non-response, the RAA should send a close-out notice and not an ineligibility notice (see below).

- Over income: a household was found to have income over 80% AMI.
- Participant noncompliance: a household was noncompliant with ERAP requirements.
- Not at risk of homelessness: a household did not demonstrate an eligible housing crisis.
- Receiving other benefits: a household has already received, or will receive, other benefits to cover the same expenses requested through the ERAP.
- Other: a household is ineligible for some other reason.
- No funding: a household does not receive ERAP because available funds have been fully expended.

Denials must be tracked in Housing Pro (HAPPY), but RAAs do not need to provide as much data for a denied application as an approved application. If the denial occurs before full household data has been entered into HAPPY, RAAs may exclude other household members from the data entry and only enter head of household data in the Household screen. RAAs do not need to enter data in the Unit Data or Owner tab for denied applications. The Initial Data and Program tabs still need to be completely filled out.

Households who are found ineligible for ERAP and who disagree with the ineligibility decision may request an administrative review of their denial or close-out. The applicant's right to a review must be described in the Notice of Ineligibility/Termination. Each Administering Agency must fill in the appropriate address on page 2 of the notice before sending it to any applicant who is ineligible or whose application is being closed out. The applicant has 10 days from the date of the notice to request a review. Reviews will be performed, within 15 days from the request for a review, at the Administering Agency level by a supervisor who is familiar with the program but unfamiliar with the particular case being reviewed. The decision should be sent to the client and a copy of the written finding should be placed in the applicant's file. There is no appeal to DHCD of this finding.

Close-Out Notices

Households who fail to supply required documentation may have their applications closed. Similarly, households whose landlords fail to supply required landlord application may also have their applications closed. For applications closed for applicant OR landlord non-response, the applicant must be given a "close-out" notification. Applicants with "close-outs" do not have a right to an administrative review but can request that their application be reopened.

File Reviews, Approvals, and Quality Assurance

As with the RAFT program, each file should be reviewed by at least two individuals—including the staff person who worked on the file—throughout the course of the RAA's work with the application. However, to ensure prompt processing of applications and payments, the second reviewer does not necessarily need to be a supervisor unless the benefit exceeds $10,000 per household. RAAs should develop a review process that ensures compliance with this Administrative Plan and any other guidance administered by DHCD or the Treasury.

Any application may undergo a DHCD quality assurance review, confirming that all necessary documents are in the file, and to verify that payment was issued in accordance with this administrative plan.

While applicants may receive ERAP, RAFT, or ERMA multiple times, RAAs are expected to review HAPPY to ensure households do not receive benefits for the same costs in the same period (i.e., do not cover the same arrears from the same month).

RAAs are not expected to check for duplication of benefits with sources beyond RAFT, ERMA, and ERAP. DHCD will perform additional audit checks to identify duplication of benefits with other similar programs administering federal ERA funds.

This may change when a Central Application is integrated into program administration.