

# Subsidized Housing Emergency Rental Assistance (SHERA) FAQs

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*Please note this document will be updated as more information is available to share.*

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## PROGRAM OVERVIEW

### 1. What is SHERA?

The SHERA (Subsidized Housing Emergency Rental Assistance) program is funded through the Federal Emergency Rental Assistance Program, overseen by the United States Treasury and funded by the Consolidated Appropriations Act of 2021. SHERA provides an expedited path for eligible owners of qualified affordable housing projects to file batch applications for rental arrearage assistance on behalf of eligible tenants.

Under the SHERA program, qualified owners of MassHousing, Massachusetts Housing Partnership (MHP) and DHCD- financed properties with income-restricted units, as well as Local/Public Housing Authorities (L/PHAs), will be able to apply for help on behalf of all of their income-eligible residents with rental arrears from April 1, 2020 to March 31, 2021. Income eligibility for households is 80% of Area Median or lower. Owners (or their property managers) will inform residents with rental arrears about this program, and will work with eligible residents to apply for assistance on their behalf.

SHERA will pay for only rental arrears for this time period. It is possible but not guaranteed that additional funding will be available to cover arrears incurred in months later than March 2021. Renters living in public or other income-restricted rental housing who need help with overdue utility payments should apply for assistance directly through the Federal Emergency Rental Assistance Program (ERAP), administered by Regional Administering Agencies.



## 2. When should we advise tenants to use SHERA vs ERAP?

Tenants should use SHERA instead of the Commonwealth’s existing Emergency Rental Assistance Program (ERAP) to cover rental arrearages starting April 1, 2020, as long as they are eligible: that is, as long as household income is 80% AMI or less; they are experiencing a risk of homelessness or housing instability (i.e., have rental arrears); and if they have experienced either a loss of income or unusual expenses due, directly or indirectly, to the COVID crisis. SHERA does not cover utility arrearages or moving expenses, nor does it cover rental arrearages incurred prior to April 1, 2020; you can refer tenants to ERAP administered by the Regional Administering Agencies (RAA) if they need these resources (see [ERAP FAQ](#)).

If a tenant has a pending application for RAFT/ERMA/ERAP, they SHOULD NOT apply for SHERA, but should allow the pending application to be processed. If a tenant previously received RAFT/ERMA/ERAP, and still has unpaid rent due from April 1 2020 to March 31,2021, they SHOULD participate in SHERA.

## 3. If my organization is a Public/Local Housing Authority (P/LHA) or a Regional Administering Agency administering ERAP, can I apply for SHERA on behalf of my tenants?

Yes, as long as the owner and the property meet the SHERA eligibility criteria and your organization discloses the self-payment in the file.

## 4. Can P/LHAs also receive rent arrearage payments on behalf of residents of federal public housing?

Yes. LHAs must account for the payments separately in their respective state and federal accounts.

## 5. I have several buildings for which I want to apply to the SHERA program. Can I register for more than one building at a time?

Yes, the SHERA Portal (<https://sherafunding.mass.gov>) makes this easy. Simply choose “Add Project/Property” from the Owner Main Information page. You can then upload that property-specific information.

In order to register a property, you will need to know the unique Property ID number assigned to that property. Depending on the property type, MHP, MassHousing, or DHCD will provide you with the Property ID. You will also need to know the ownership entity’s Tax ID number.



6. Is there a maximum monthly tenant rental arrearage that can be claimed?

There is no maximum dollar amount for tenant rental payment arrearages. However, the maximum payment for any tenant may not exceed twelve (12) months of total rent arrearage.

7. How long is the time from the submission of an application for payment of arrearages until the owner receives payment on the tenant’s behalf?

SHERA will launch as a brand-new system in early April, and getting the processes fully tested and operational will take a few weeks. We anticipate working through the process over the course of the first 60 days of SHERA operations, and will aim for a 30-day turnaround thereafter.

8. I own a 40B project with rent restrictions for some units at 80% AMI. Can I apply to SHERA for this property?

Yes. You can apply in Phase 3 (timing to be announced) for 40B properties, including LIP and NEF 40B properties that include some units restricted at 80% of AMI, as long as the property and owner also meet the other SHERA eligibility criteria.

9. When will information be made available about another round of funding for arrearages incurred after March 2021?

Notification of a subsequent round of funding to cover arrearages beyond March 31, 2021 will likely be made available after May 31, 2021.

10. Is there any chance the SHERA program will run out of money before it can fund all the approved funding applications?

We expect that sufficient resources will be available to cover all qualified tenant arrearages in eligible properties through March 31, 2021. Although additional resources are anticipated to be available to cover future arrearages after that time, we are not yet certain of the extent to which additional funds will be available. It may be necessary to adjust program limitations, which could possibly include a cap on total benefits. Any such additional limits will continue to prioritize households at or under 50% AMI, as well as households with members who are actively experiencing 90 or more days of unemployment, as is required by the US Treasury Department.



11. Will there be more funds available in the program from the COVID relief bill signed on March 11, 2021 by Congress?

Yes, the American Rescue Plan Act of 2021, signed into law March 11, 2021, allocated additional funds to pay COVID-related rent arrearages, but we do not yet know how much of this funding may be allocated to SHERA.

## TENANT ELIGIBILITY AND INFORMATION REQUIREMENTS

12. What information do I need to get from tenants to prove that their arrearages were caused by COVID?

This will be documented with a signed Tenant Certification. You can find it on the SHERA Portal, including translations to common languages. With the Tenant Certification, the head of household certifies that they, or someone in their household, has experienced a financial hardship related directly or indirectly to COVID-19. Households do not need to provide verification of the hardship outside of this attestation. However, documentation of the hardship may be requested at a later time for monitoring and/or audit purposes.

13. Will my latest income certification information be enough to establish the tenant's income for SHERA eligibility?

Yes, as long as the income certification was completed on January 1, 2020 or later, and showed that the household was at or below 80% AMI using HUD's Income Definition.

If the 2020 tenant income recertification was deferred pursuant to a waiver issued by a state or federal agency that permitted such deferral due to COVID-19, the owner may use the most current certification available.

14. What if I can't get annual income information from a household for January 1, 2020 or later? What can I do to prove their income eligibility?

If the owner deferred 2020 tenant income recertifications pursuant to a waiver issued by a state or federal agency that permitted such deferral due to COVID-19, the owner may use the most current certification available.

Other ways to prove income eligibility is receipt of a benefit letter from January 1, 2020 or later confirming any of the following benefits:

DTA benefits

MassHealth benefits



Veterans Chapter 115 benefits  
 Subsidized childcare benefit

Alternatively, the tenant may provide a copy of their 2020 IRS Form 1040 (Adjusted Gross Income) or provide two months worth of income documentation (pay stubs, benefit letters, receipts, bank statements). If a tenant has zero income (unemployed, but not eligible for unemployment or any other benefits), the tenant may self attest to zero income

### 15. How do I document income eligibility?

If the tenant’s rent is based on a percent of household income, you may use a completed income recertification effective on or after January 1, 2020 or obtain the acceptable documents per the SHERA policy.

If the owner deferred 2020 income recertifications in accordance with a waiver issued by a state or federal agency that permitted such deferral due to COVID-19, the owner may use the tenant household’s most recent completed income recertification available.

If the tenant’s rent is based on published income or rent figures, such as by HUD, the owner may use a completed income recertification effective on or after January 1, 2020, or obtain the acceptable documents, including certain benefit letters or IRS documentation, per the SHERA policy.

If the property is not required to recertify income during occupancy, or a resident is living in a market-rate unit at the property, you will need to obtain the acceptable documents per the SHERA policy.

### 16. If a tenant has a mobile housing voucher (Section 8 HCV or mobile MRVP), do we need to conduct a separate income verification?

No. Owners do not need to conduct an additional income verification for tenant households if they have on file an approval by a housing authority or an administering agency (AA) for mobile rent subsidies on or after January 1, 2020; or, if the 2020 recertification was deferred by a state or federal agency due to COVID-19, the most recent approval.



17. Are owners responsible for applying on behalf of a tenant with a mobile housing voucher (Section 8 HCV or mobile MRVP)?

Yes, Owners are responsible for submitting applications on behalf of tenants residing in their properties, including those tenants with a mobile voucher. The AA or P/LHA administering the voucher should not apply on their behalf.

18. Can owners apply for tenants who have received RAFT rental arrearage relief in the past?

Yes. SHERA can pay outstanding tenant rental arrearages for eligible households who incurred rental arrearages due to COVID-19 between April 1, 2020 and March 31, 2021 that have not already been paid by RAFT or some other form of assistance payment.

19. Can owners apply for tenants who will be moving out?

Yes. SHERA can pay tenant rental arrearages for eligible households who incurred rental arrearages due to COVID-19 between April 1, 2020 and March 31, 2021, but **are planning on moving out**. This will help the tenant clear arrearages and clear up their rental history before moving on.

20. Can owners apply for tenants who have already moved out or have died?

Owners may only apply for SHERA to assist current residents. They may not apply for tenants who **have already moved out** or have died.

21. What should tenants do if they have already applied for benefits through RAFT, ERAP, or another rental assistance program? Should they cancel those applications and apply through SHERA instead?

Tenants with other rental assistance applications in process should let those applications proceed through the system through which they applied. SHERA applications should NOT be submitted for the month(s) for which tenants have already applied to pay for rent arrearages elsewhere. To participate in SHERA, tenants must certify that they are not seeking the same benefits elsewhere for the same period. They can, however, apply through SHERA to cover rental arrearages for which applications are not pending as well as to other programs for utility arrearages and moving expenses that are not pending, or if the tenant previously received assistance and still has unpaid rent due from April 1, 2020 to March 31, 2021.

Note: If SHERA makes an assistance payment that is duplicative of another program (RAFT, ERMA, local or philanthropic assistance program), the owner must return the

SHERA payment to the Commonwealth. (See question: [What if a duplicate payment is made?](#) below).

**22. Are residents with a project-based monthly rental subsidy eligible for SHERA assistance?**

Residents living in units with project-based subsidy are eligible for SHERA, as are residents of both state and federal public housing. If an eligible household is assisted with a monthly rental subsidy and the tenant rent is adjusted according to changes in income, the renter household may receive SHERA assistance for arrearages in the tenant-paid portion of rent.

**23. Are residents with a mobile Section 8, MRVP or other mobile housing voucher eligible for SHERA?**

Yes, residents with mobile vouchers are eligible for SHERA for the tenant-paid portion of their rent only. Owners may apply on behalf of residents with mobile vouchers.

**24. What if the tenant has arrearages that pre-date April 1, 2020?**

SHERA can only pay for rental arrears for April 1, 2020 to March 31, 2021. Any arrearages accrued prior to April 1, 2020 must be forgiven or the tenant must enter a repayment plan with the Owner.

**25. Can SHERA pay for rent arrearages for a tenant that has passed away, either from COVID of another cause?**

No. SHERA provides emergency rental assistance for the benefit of residents to prevent their risk of homelessness or housing instability.

## OWNER AND PROPERTY ELIGIBILITY REQUIREMENTS

**26. What are the basic SHERA eligibility requirements for owners?**

*(NOTE: The term “Owner” here refers to the legal entity that holds title to the property. The term “Sponsor” refers to the company or organization that served as sponsor or developer for the property. A Public/Local Housing Authority typically is both the Owner and Sponsor of its properties.)*

To be eligible for SHERA, an Owner must meet ONE of the following three characteristics:



- The Owner must have an existing borrower relationship with MassHousing or Massachusetts Housing Partnership, and they must be a borrower in good standing, meaning that neither the owner, nor the property has no active loan defaults (properties in forbearance are considered to be in good standing); OR
- The Owner is a Public/Local Housing Authority; OR
- The Sponsor must have at least one property in their portfolio, subject to use restrictions created by participation in a state or federal program, that has 20 or more units.

## 27. What are the terms of the program that Owners must agree to?

Owners participating in the program will be required to sign an *Owner Agreement* which outlines their responsibilities and commitments. Principal among these are the commitments to:

- Apply the benefit to the tenant account within 30 days of receipt of assistance payment;
- Suspend evictions and not initiate new evictions for non-payment of rent against each household that receives SHERA benefits for at least 6 months after the last assistance payment is applied to the tenant household's account; reach out proactively to households who are behind in their rent;
- Engage proactively with residents in arrearage to create payment plans;
- Promote program access to residents, support resident applications for rental assistance payments, and accept payments when made;
- For tenants whose rents are not based on their household income, refrain from implementing rent increases on households eligible for SHERA that might otherwise be permitted based on revised HUD income and rent figures until the later to occur of (i) July 31, 2021 and (ii) when the applicable subsidy program permits the owner to implement rent increases;
- Provide downward rent adjustments for income-based rents, as applicable;
- Encourage structured and interactive landlord-tenant mediation, including use of the state-funded no cost community mediation program;
- Inform tenants when applications are submitted, when payments are received and applied, and if a payment is denied;
- Instruct auditors to incorporate protocols into their 2021 property audits for review of SHERA funding applications and payments;
- Repay SHERA funds, if such payment is duplicative or out of compliance;
- Obtain and retain required documentation on tenant eligibility;
- Submit all required reports and requests through an online owner portal;
- Certify with each submission that all information is correct and complete; and
- Be subject to compliance reviews.

## 28. What if tenants refuse to participate in the program? Are they still protected from eviction for non-payment of rent?

If an Owner participates in the program, they agree not to evict tenants that receive SHERA benefits for non-payment of rent for the specified period. The Owner will be



obligated to work proactively to engage with tenants that are not participating in the program; these efforts might include, for example, mediation. Owners should document their efforts to reach out to non-responsive tenants.

### 29. Can Owners still evict tenants for cause?

Yes, Owners can evict a tenant household for cause other than non-payment of rent.

### 30. Can participating Owners engage in any legal preliminaries to eviction, short of actually executing an eviction, in order to engage a non-responsive tenant? For example, can an Owner file a 14-day notice to quit if a tenant with arrearages is non-responsive?

The Owner is not prohibited from issuing a notice to quit, filing a complaint with the court and continuing with the eviction process **after** the following efforts occur and are documented:

- a. a Tenant Outreach letter is sent to the tenant household and the household does not respond to the request within 14 calendar days after delivery of the letter; **and**
- b. The Owner has additionally made at least one attempt by phone, text, or e-mail over a 10 calendar-day period to request the tenant household's participation and the household does not respond; **or**
- c. The tenant household confirms in writing that they do not wish to participate.

If the tenant submits a signed Tenant Certification any time during this process and is eligible for the program, the Owner is required to submit an application on the tenant's behalf.

### 31. What are the Owner's obligations if tenant ignores all outreach?

The Owner Agreement requires owners to work proactively with their tenants who have fallen behind on rent using resources available to do so, such as payment plans, rent adjustments, mediation, and rental assistance.

If a tenant is not responsive to outreach, the owner should document all outreach attempts in the tenant file and issue a notice to the tenant that due to non-responsiveness a SHERA application will not be submitted and that tenant still owes arrears. (A template letter will be available for owners on the SHERA Portal).

**32. What happens to a repayment agreement (either court-ordered or informal) after an arrearage is cured?**

If all arrearages covered in the repayment agreement have been discharged by SHERA, then the repayment agreement should become moot and Owners should include the status of the repayment agreement in their payment notification to tenants.

If there are any remaining arrearages after SHERA payment has been made (for example, for non-dwelling charges such as pet rent or parking fees, or for rental arrearages from periods prior to April 1, 2020), owners are encouraged to make reasonable and good faith efforts to offer arrearage forgiveness to and/or enter into payment agreements with any household that has experienced a financial hardship due to the COVID-19 pandemic. Such agreements should be based on current rent obligations and the household's full financial hardship. The agreements should attempt to avoid lump sum repayments at the end of the rent deferral period, and allow households to amortize the repayment over time. Households should not be charged late fees upon entering into a payment agreement.

**33. What are the compliance certification requirements for the staff members of my company, or of the property management company managing my property, who are doing the income certification?**

The Owner or its management company must have at least one staff member holding certification in compliance training recognized by the affordable housing industry. Please refer to Owner Compliance Training Certification on the SHERA Portal.

**34. Can I apply if I have any past-due payments on loans on any of my properties, especially if those past-due payments were caused by COVID-related tenant arrearages?**

An owner is only eligible to participate in SHERA if it is in good standing, that is, if neither the owner nor its property is in active default with MassHousing, MHP, or DHCD. Properties in forbearance are still considered to be in good standing.

**35. I don't have a property audit for the year 2020. Can I still apply for SHERA relief?**

You can apply as long as your property will be subject to audit in 2021 (as long as your property meets the other program qualifications related to use restrictions and compliance certifications). You do not need to submit a property-specific audit if your



property is owned by a single-purpose entity but is included in a larger consolidated audit (for example, for a sponsor organization, or a local housing authority).

## OTHER INFORMATION FOR OWNERS

### 36. How do I obtain the Property ID I need to register my property and submit my funding applications?

You will have been provided the identification numbers to register your properties in a letter sent to you by Mass Housing, MHP or DHCD. If you can't find this letter, please submit a service request through the SHERA portal.

### 37. Is it possible to cancel an application once it has been submitted in the Online Portal but before it has been processed? For example, what happens if a tenant wants to rescind their consent after their application has been submitted but has not been processed?

Yes. If an owner makes an application in error, or an owner wishes to cancel an application it has submitted in the Online Portal before it has processed, the owner must request the cancellation by submitting a service request in the SHERA Portal. The owner must include a reference to the tenant claim(s) and Project ID and the reason(s) for the cancellation.

### 38. Can I have the funds direct-deposited into my property bank account? How will we know which arrearages are covered in the payments we receive?

Yes. Funds can be direct-deposited into a bank account you identify (see instructions on the Owner Portal website <https://sherafunding.mass.gov>) on the Project Details page for each project. Under "Available Actions," choose "Request Direct Deposit."

Each payment made to an owner will include an itemized account of the amounts paid for each tenant.

### 39. What if a duplicate payment is made?

Owners are expected to check their accounting records prior to submitting requests for SHERA assistance to confirm that other assistance has not been paid for the same benefit during the same time period. If a duplicate payment has been made to an Owner, the Owner will be required to repay DHCD for the duplicate amount.



#### 40. What if an Owner found that a tenant had misreported income; are tenants eligible to receive rent arrears for that portion of rent?

If an Owner discovers misreported income that results in a tenant becoming ineligible for benefits for which they have applied, they should do their best to change or cancel the application, if it is still within the window of time when it is possible to do so. If such errors are discovered after payment has already been made, the funds must be repaid, and Owners will be responsible for creating a repayment plan to recover those funds from the tenant.

#### 41. What documentation should be kept in a tenant file for a potential audit? How long should these files be kept?

A separate file must be maintained for every applicant for six fiscal years after the benefit has either been received or denied; this documentation requirement holds whether the request was approved or denied. This file may be digital or physical, or a combination of the two. Required files include, but are not limited to:

- Identification for head of household
- Verification of current housing (e.g. lease, tenancy agreement)
- Certification of Rental Assistance Eligibility
- Verification of housing instability or risk of homelessness ( Owner’s evidence of rental arrearage is sufficient)
- Verification of income
- Tenant-signed attestation of financial hardship due directly or indirectly to COVID-19
- W-9 for property owner or authorized agent
- Authorization of agent, if applicable
- Proof of ownership for unit
- Lease(s) effective during the term of the rental assistance;
- Last four digits of the Head of Household’s Social Security Number, if applicable
- Any communications with the tenant or other party involved in the application
- Other records as required by MassHousing, MHP and/or DHCD or federal, state and local law or regulations.

#### 42. Will I receive a 1099?

Yes, you will receive a 1099 if you are a private Owner. If you are a P/LHA applying for federal or state public housing tenant, you will not receive a 1099.



43. Is a SHERA payment considered a rental subsidy for the purposes of Public/Local Housing Authority accounting?

For state-aided public housing units, these payments may be booked under a/c #3690 – Other Operating Revenue. **This will count as income, similar to rent, that reduces the need for subsidy in that year; preserving resources to increase LHA budgets in subsequent years.** P/LHAs should contact HUD for guidance on how to account for funds for federal public housing.

44. Do I have to freeze rent through June 30, 2021 for tenant households participating in the SHERA Program?

Yes, participating owners must freeze rent for eligible households participating in SHERA that do not have income-based rent.

45. Can owners access SHERA for arrears and then tenants access ERAP for stipends? Do residents have a choice of which program to access, can they choose ERAP rather than SHERA?

Yes, residents may participate in either program. However, SHERA was designed to specifically pay rent arrearage and require that owners engage with residents and help with the application process. .

46. Do applicants have to demonstrate immigration status?

No, applicants do not have to demonstrate immigration status to receive SHERA.

47. Is the renter in an income-based rental unit obligated to pay retroactive rent arrearages if the Owner’s certification shows an increase in household income?

No. SHERA can assist renter households with the increased rent arrearages due between April 1, 2020 and March 31, 2021 as a result of an annual or interim income recertification that captured an increase in household income during this time period.

48. Do I have to report what the tenant has already paid in the SHERA Application?

No. In the SHERA Application, you only need to report the amount of rent arrears outstanding for each particular month that you are requesting. For example: the tenant’s monthly rent share is \$500. The tenant made a payment of \$1,250 in June 2020 that covered rent owed for April and May, and half of what they owed for June. In

the SHERA application you would report \$250 for June, 2020, since that is the balance outstanding. You should not report the fact that April and May was paid late.

## SHERA PROGRAM RESOURCES

### 49. What are the best resources to learn more about this program?

Owners and their authorized agents should thoroughly familiarize themselves and their staff with the program and policy documents available on the SHERA portal website (<https://sherafunding.mass.gov>):

Please note that while the [Federal guidelines](#) are helpful in laying out baseline requirements for the program, Massachusetts has tailored program implementation to meet the specific needs of the Commonwealth; where there are conflicts, the specific Massachusetts SHERA program guidelines prevail.

### 50. Who can I contact for any questions related to the SHERA program?

Owners are encouraged to review supporting documents on the portal. If owners still have questions related to SHERA, they can submit a service request directly on the SHERA portal for both technical and general program questions.

### 51. What type of training and support will be made available to apply for this program?

Training resources, including webinar recordings, and program supporta materials for owners will be posted on the Owner Portal homepage as they become available.

