



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lieutenant Governor ♦ Jennifer D. Maddox, Undersecretary

To: LHA and RAA (AA) Executive Directors Administering State Rental Assistance
From: Brendan Goodwin, Director, Division of Rental Assistance
Date: March 31, 2021
RE: **Coronavirus Relief Bill & State Rental Assistance Programs (MRVP, AHVP, DMHRSP)**

The United States Congress passed the [American Rescue Plan Act of 2021](#) (ARPA) on March 9, 2021 which President Biden then signed onto law on March 11, 2021. This \$1.9 trillion COVID-19 relief bill includes direct payments to individuals, extended and enhanced unemployment insurance (UI) benefits, and an expansion of the Child Tax Credit. This guidance directs AAs how the one-time direct payments and enhanced UI should be treated for purposes of rent determination in state rental assistance programs, including the Massachusetts Rental Voucher Program (MRVP), Alternative Housing Voucher Program (AHVP), and Department of Mental Health Rental Subsidy Program (DMHRSP).

To summarize:

- \$1,400 Direct Payments to Individuals – **Exclude** from Income for Rent Determination and Eligibility
- Enhanced UI Benefits – **Include** in Income for Rent Determination (**Exclude** for Eligibility)
- Expanded Child Tax Credit – **Exclude** from Income for Rent Determination and Eligibility

Direct Payments to Individuals – EXCLUDE from Income for Rent Determination and Eligibility

The ARPA includes one-time stimulus payments of \$1,400 to adults and qualifying dependents, including adult dependents. People earning less than \$75,000 in 2019 or 2020 are eligible for the full payment, with payments phasing out between \$75,000-80,000 of individual income (\$150,000-160,000 for couples). Families with mixed-immigration status are also eligible for these payments.

Following on previous DHCD guidance, due to the temporary, one-time nature of this benefit, DHCD deems that these payments are “gifts” and should **be excluded from income for purposes of rent determination and eligibility for all state rental assistance programs**. Participants do not need to report this income to AAs.

Extended and Enhanced Unemployment Benefits – INCLUDE in Income for Rent Determination

The ARPA extends Pandemic Unemployment Assistance (PUA), which provided UI benefits to contract and gig workers not typically covered by state UI systems, through September 6, 2021. The law also extends the maximum duration of unemployment benefits from 50 to 79 weeks. Both measures would

have expired on March 14, 2021 without federal action. **Both extended UI benefits and PUA benefits should be counted in income for both rent determination and eligibility.**

The ARPA also extends the enhanced Federal Pandemic Unemployment Compensation benefit of \$300 per week in addition to state unemployment benefits through September 6, 2021. Following earlier [DHCD guidance on September 17, 2020](#), these enhanced unemployment insurance benefits should be **included in income for purposes of rent determination.**

DHCD reminds AAs that they must continue to follow all program regulations and [previous DHCD guidance](#) regarding interim redetermination of rent when including this enhanced benefit in income for purposes of rent. Regulations require program participants to report an increase in income within 30 days of the change and require AAs give participants written notice at least 30 days in advance of the effective date of an increase in tenant rent share. If a participant's income decreases (taking into account unemployment insurance and enhanced benefit), the corresponding change in tenant rent share shall be made effective on the first day of the month following the change.

AAs should continue to disregard any temporary enhanced benefits (i.e., the additional \$300/week) when calculating income for the purposes of **eligibility** for state rental assistance programs.

Expanded Child Tax Credit – EXCLUDE from Income for Rent Determination and Eligibility

ARPA includes significant expansion of the Child Tax Credit, increasing maximum amount to \$3,600 for 0-5 year old children and \$3,000 for 6-17 year old children, as well as making the credit fully refundable.

The ARPA also raises the maximum Earned Income Tax Credit for adults without children from \$543 to \$1,502.

These, and any other tax credits, are **not included in income for purposes of rent determination or eligibility**. Program regulations make no mention of tax credits.

If you have any questions, comments, or concerns, please do not hesitate to contact Cecilia Woodworth, Assistant Director of State Programs, at cecilia.woodworth@mass.gov.