



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

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

Public Housing Notice 2021-04

To: All Local Housing Authority (LHA) Executive Directors
From: Ben Stone, Director, Division of Public Housing
Date: March 25, 2021
RE: **American Rescue Plan & State-Aided Public Housing**

The United State Congress passed the [American Rescue Plan Act of 2021](#) (ARPA) on March 9, which President Biden then signed onto law on March 11. This \$1.9 trillion COVID-19 relief bill includes direct payments to individuals, extended and enhanced unemployment insurance (UI) benefits, an expansion of the Child Tax Credit, and further emergency rental assistance on top of \$25 billion appropriated in the Consolidated Appropriations Act (CAA) in December. This guidance directs LHAs how the one-time direct payments and enhanced UI should be treated for purposes of rent determination in state-aided housing.

1. \$1,400 Direct Payments to Individuals – Exclude from Income for Rent Determination and Eligibility
2. Enhanced UI Benefits – **Include** in Income for Rent Determination (**Exclude** for Eligibility)
3. Expanded Child Tax Credit – **Exclude** from Income for Rent Determination and Eligibility
4. Emergency Rental Assistance Funds

1. Direct Payments to Individuals

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 (\$150-160,000 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” under [760 CMR 6.05\(3\)\(a\)](#) and should be **excluded from income for purposes of rent determination and eligibility for public housing**. Residents do not need to report this income to LHAs.

2. Extended and Enhanced Unemployment Benefits

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 6th 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 and eligibility, as per 760 CMR 6.05(2)(e).

The ARPA also extends the enhanced Federal Pandemic Unemployment Compensation benefit of \$300/week in addition to state unemployment benefits through September 6, 2021. Following earlier DHCD guidance in [PHN 2020-31](#) and [PHN 2020-41](#), these enhanced unemployment insurance benefits should be **included in income for purposes of rent determination**.

DHCD reminds LHAs that they must continue to follow [760 CMR 6.04\(5\)\(a\)](#) regarding Interim Redetermination of rent when including this enhanced benefit in income for purposes of rent. This regulation requires tenants to report an increase in income no later than the seventh day of the month following the month in which the increase occurred, and requires LHAs to give a tenant written notice at least 14 days in advance of the effective date of a rent increase (which must be made effective on the first day of the month). If a tenant's income decreases (taking into account unemployment insurance and enhanced benefit), the corresponding rent change shall be made effective on the first day of the month following date of the verified decrease in income.

LHAs should continue to disregard any temporary enhanced benefits (i.e., the additional \$300/week) when calculating income for the purposes of **eligibility** for public housing as governed by [760 CMR 5.06](#).

3. Expanded Child Tax Credit

ARPA includes significant expansion of the Child Tax Credit, increasing maximum amount to \$3,600 for 0-5 year olds and \$3,000 for 6-17 year olds, 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**; 760 CMR 6 makes no mention of tax credits.

4. Rental Assistance

The ARPA provides \$27.4 billion in emergency rental assistance, of which at least \$21.55 billion will be allocated to the states by formula and administered by state-selected entities. This largely follows similar eligibility and program rules as the \$25 billion in rental assistance appropriated in the Consolidated Appropriations Act of December 2020. Households would be eligible for up to 18 months of assistance (including assistance received through CAA) if they:

- (1) have a household income not more than 80 percent of the area median income (AMI);
- (2) have one or more household members who can demonstrate a risk of experiencing homelessness or housing instability; and
- (3) have one or more household members who qualify for unemployment benefits or experienced financial hardship due, directly or indirectly, to the pandemic.

Emergency Rental Assistance Funds appropriated through the CAA will be available through September 30, 2022; funds appropriated through the ARPA are available through September 30, 2025.

DHCD will shortly release guidance on how subsidized landlords, including Housing Authorities, may directly request the emergency rental assistance funds appropriated through the CAA in order to pay down unpaid rent arrears for qualifying tenants.