



Eviction Diversion Initiative Briefing

Baker-Polito Administration

September 21, 2021

Secretary Mike Kennealy, Executive Office of Housing and Economic Development
Undersecretary Jennifer Maddox, Department of Housing and Community Development

- Eviction Diversion Initiative (EDI) Overview
- EDI Programs and Model
- Emergency Housing Assistance Operational and Application Changes
- Spending and Application Outcomes
- Chapter 257 Protections and Notices to Quit (NTQ)

DHCD is located within the Executive Office of Housing and Economic Development (EOHED). Through its community and business partners, DHCD provides **affordable housing options**, **financial assistance**, and **other support** to Massachusetts communities.



The Department oversees a diverse portfolio of programming, including affordable housing development, rental assistance programs, the Emergency Assistance Program for eligible homeless families, funding for more than 240 state-aided local housing authorities, and provides tools and funding for municipalities and planning agencies across the state.

Housing is a key element of economic recovery

- In October 2020, the Baker-Polito Administration announced *Partnerships for Recovery*, a five-point plan and nearly \$774M package to stabilize and grow the Massachusetts economy.
- The plan's recovery imperatives build off the Administration's economic development plan pillars, provide a roadmap to economic stabilization and recovery through existing programming, and offer a new set of targeted, recovery-oriented policy proposals to complement existing efforts.
- One of the main components of the Department of Housing and Community Development (DHCD)'s response to COVID-19 is the Eviction Diversion Initiative (EDI)



Eviction Diversion Initiative Overview



Prior to the pandemic, the Residential Assistance for Families in Transition (RAFT) program was a **homelessness prevention program** with a **\$20M annual budget** providing up to \$4,000 a year to low-income families for rent, utilities and other housing costs.



The **Eviction Diversion Initiative (EDI)** was launched in October 2020 with the goal of keeping tenants and homeowners housed, preventing eviction and homelessness, and supporting landlords with COVID-19 related financial challenges.



\$171 million total state commitment in Fiscal Year 2021 to support new and expanded programs within DHCD, including

- ✓ \$100 million in emergency housing assistance through the RAFT program
- ✓ Up to \$12.3 million to provide tenants and landlords with access to legal representation, mediation, and related services
- ✓ Nearly \$50 million for post-eviction rapid rehousing
- ✓ Up to \$8.7 million for case management and public awareness efforts



\$768 million U.S. Treasury funds for Emergency Rental Assistance (ERA) to Massachusetts, not including City of Boston's \$50M

- ✓ \$437 million from the Consolidated Appropriations Act (CAA) in December 2020 (commonly referred to as "ERA 1").
- ✓ \$331 million from the American Rescue Plan Act (ARPA) signed in March 2021 (commonly referred to as "ERA 2").



During COVID-19, EDI has transformed a singular state homelessness prevention program (RAFT) into a **large-scale disaster relief program**, with an unprecedented volume of applications and a total rental assistance budget of more than **30X**.

Eviction Diversion Initiative – *How Far We Have Come (1 of 2)*



October 2020

- Eviction Diversion Initiative (EDI) is announced and the Administration commits \$171 million state dollars for FY21
- The state moratorium on evictions and foreclosures ends on October 17

November 2020

- **First stage of public information campaign: outreach to 150+ community-based organizations, MBTA signs, highway signs, social media via Facebook and Twitter, and standing up 2-1-1 as the front door for all who need help getting housing information**
- Organizations across new and expanded EDI programs staff up and ultimately end up hiring nearly 400 individuals

December 2020

- FY21 budget is signed into law, including more funding and key policy changes to RAFT and ERMA housing programs
- **Chapter 257 of Acts of 2020 enacted, requiring courts to stay evictions while rental assistance applications are pending**
- The Consolidated Appropriations Act (CAA) is enacted, directing \$437 million in federal funds to Massachusetts

January 2021

- The Rental Assistance Processing (RAP) Center launches to increase RAFT-ERMA application processing capacity
- RAFT & ERMA program benefit caps increase from \$4,000 to \$10,000 across the board per FY21 budget line-item language
- **Income verification with MassHealth & DTA reduces documentation requirements for RAFT-ERMA applicants**

February 2021

- \$21.9 million in RAFT and ERMA payments are distributed to 5,740 households during February, a record high
- Family shelter caseloads and new entries remain low; similar trends are seen in HomeBASE and rapid rehousing programs



March 2021

- Emergency Rental Assistance Program (ERAP) launches, making \$400+ million in federal aid available to Massachusetts residents
- Passage of American Rescue Plan Act, making additional \$331 million in federal aid available to DHCD
- \$32.7 million is distributed to 9,414 households during the month of March through ERAP, RAFT, and ERMA

Eviction Diversion Initiative – *How Far We Have Come* (2 of 2)



April 2021

- COVID Eviction Legal Project (CELHP) extends to December 2021 in anticipation of future demand for legal services
- \$27.9 million is distributed to 9,388 households through ERAP, RAFT and ERMA

May 2021

- **Fourth stage of public info campaign with multilingual town halls in Springfield, Fall River, and New Bedford; DOT billboards, MBTA signs, social media, and DTA text/email/postcard campaign**
- Subsidized Housing Emergency Rental Assistance (SHERA) program begins phased launch
- \$33.6 million is distributed to 11,804 households through ERAP, RAFT and ERMA

June 2021

- **Legislature extends court protections under Chapter 257 of the Acts of 2020 through April 1, 2022**
- DHCD modifies ERAP policy to extend maximum benefits from 15 to 18 months and to allow for direct payments to tenants
- \$37.2 million is distributed to 14,066 households through ERAP, RAFT, ERMA and SHERA

July 2021

- **Fifth stage of the public information campaign in partnership with five utility companies to notify residents of available assistance through ERAP as well as DUA outreach to 550,000 unemployment claimants**
- \$34.1 million is distributed to 13,503 households through ERAP, RAFT, ERMA and SHERA

August 2021

- **Intentional focus on new applicant approvals (as opposed to faster processing) leads to record breaking month in terms of total number of households served**
- \$46.0 million is distributed to 15,644 households through ERAP, RAFT, ERMA and SHERA **Record High**
 - As a reminder, \$20 million was distributed to roughly 6,400 households through RAFT in all of FY19



Eviction Diversion Initiative Overview – Rental Assistance Programs



The Eviction Diversion Initiative is comprised of state and federally funded programs. The federal emergency rental assistance (ERA) funds are administered through the state's **Emergency Rental Assistance Program (ERAP)** and the **Subsidized Housing Emergency Rental Assistance (SHERA)** program.

Emergency Rental Assistance Program (ERAP)

ERAP launched in March 2021 and provides expanded rental relief to assist eligible tenants (up to 80% AMI) with rent and utilities. Benefit limit of up to 18 months with no dollar cap. ERAP is administered locally through 11 Regional Administering Agencies (RAAs) alongside the state's RAFT and ERMA programs.

Subsidized Housing Emergency Rental Assistance (SHERA)

SHERA completed its phased launch in July 2021 and helps owners of rent-restricted properties apply for ERA funds in bulk to pay rental arrears on behalf of income eligible tenants. Program partners include quasi-state agencies MassHousing and Massachusetts Housing Partnership, as well as DHCD's Division of Public Housing.

Residential Assistance for Families in Transition (RAFT)

RAFT provides rent, mortgage, or other housing assistance to help low-income households (generally up to 50% AMI). Maximum benefit of \$10,000 per household in 12-mo period. State funded program administered by RAAs.

Emergency Rental and Mortgage Assistance (ERMA)

ERMA provides rental and mortgage assistance to households (50% - 80% AMI) who have been impacted by COVID-19. Maximum benefit of \$10,000 per household in 12-mo period. State funded program administered by RAAs.

Eviction Diversion Initiative Overview – Additional Programs

Information Resources, Case Management, and Rapid Re-Housing & Shelters



The Eviction Diversion Initiative programs can be generally bucketed into four categories: **Eviction Prevention; Information Resources; Case Management; and Rapid Re-housing & Shelters.**

Information Resources

Mass211

Mass211 is a hotline connecting callers to information about critical health and human services available in their communities, including housing resources and EDI programs.

Housing Consumer Education Centers (HCEC)

HCECs serve as the “Housing Emergency Rooms” and one-stop shop for all things housing. HCECs are often the first stop for referrals.

Case Management

COVID Eviction Legal Help Project (CELHP)

Seeks to prevent displacement and homelessness by keeping tenants and owner-occupants stable and safely housed.

Community Mediation

Community Mediation Centers are regional non-profits that help people with different types of disputes including problems between landlords and tenants.

Rapid Re-housing & Shelters

Strategic Prevention Initiative (SPI)

SPI offers financial assistance to secure safe housing to families who will soon be eligible for EA (i.e., not yet homeless but have been told they must leave current housing).

Emergency Assistance (EA)

EA consists of HomeBASE and Family Shelters. Qualified households can be placed in Family Shelters. HomeBASE can provide up to \$10K in short-term assistance to help divert families from shelters or help exit shelter into permanent housing.

Tenancy Preservation Program (TPP)

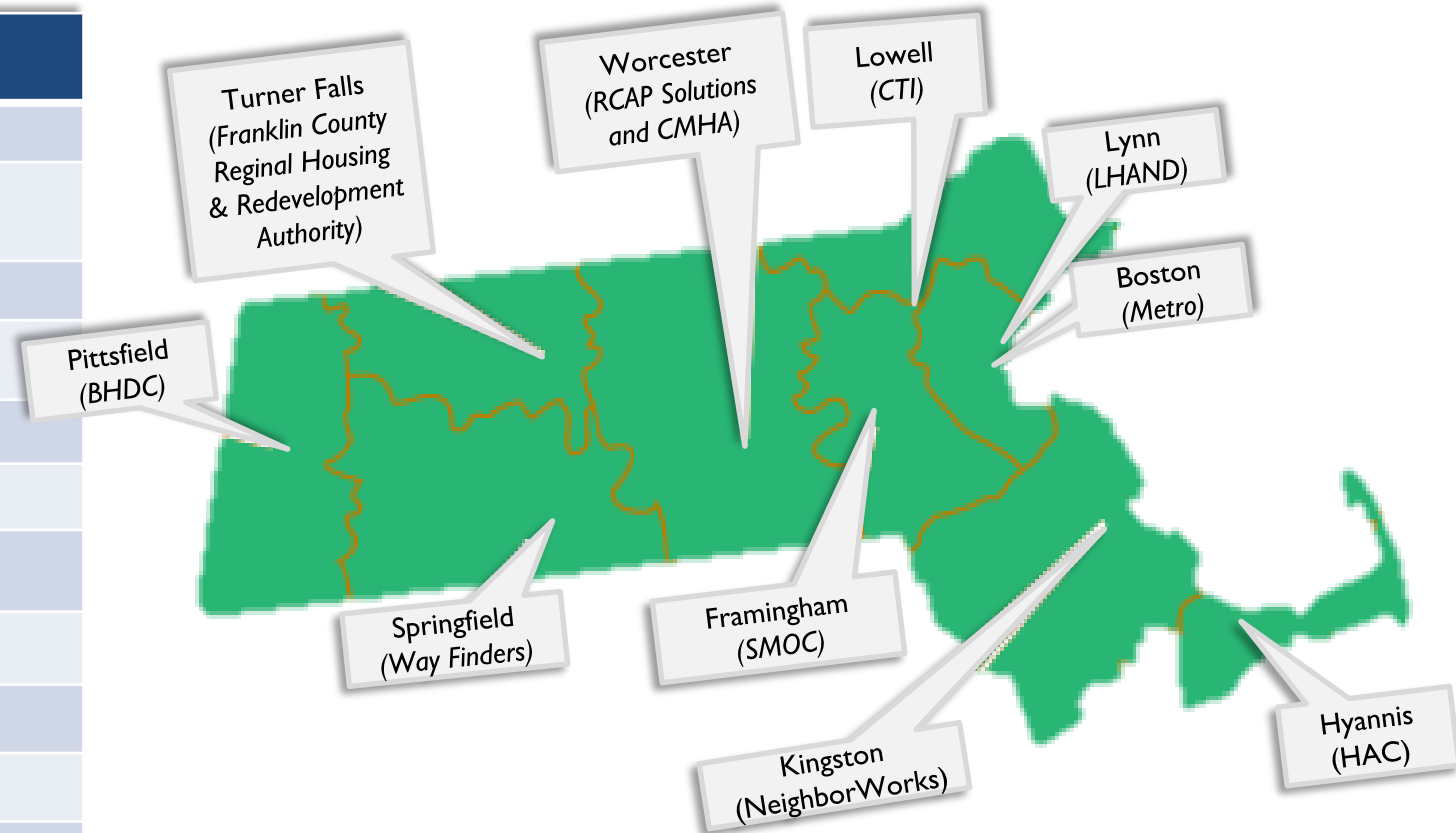
A homelessness prevention program that works with tenants facing eviction as a result of behavior related to a disability, as well as other vulnerable households.



EDI leverages the existing network of RAAs to distribute assistance

Pre-COVID, a network of eleven Regional Administering Agencies (RAAs) administered the state's RAFT and HomeBASE programs. EDI built upon this existing network, partnering with RAAs to scale up their operations and deliver millions of dollars of assistance.

Regional Administering Agencies (RAAs)	Region
Berkshire Housing Development Corp. (BHDC)	Pittsfield
Franklin County Regional Housing & Redevelopment Authority (FCRHRA)	Turners Falls
Way Finders	Springfield
RCAP Solutions	Worcester
South Middlesex Opportunity Counsel, Inc. (SMOC)	Framingham
Community Teamwork, Inc. (CTI)	Lowell
Metro Housing Boston (MHB)	Boston
Housing Assistance Corp. (HAC)	Hyannis
NeighborWorks Housing Solutions	Kingston
Central Massachusetts Housing Alliance (CMHA)*	Worcester*
Lynn Housing Authority & Neighborhood Development (LHAND)*	Lynn*



*Note: There are 11 RAFT/ERAP Regional Administering Agencies, 9 of which have state-funded Housing Consumer Education Centers (HCECs) and are part of the Regional Housing Network (RHN). CMHA and LHAND are RAAs but not HCECs: CMHA shares a catchment area with RCAP Solutions in Worcester, and LHAND serves the City of Lynn as well as several towns within the catchment area of Metro Housing|Boston and CTI.

Emergency Housing Assistance Programs – Pre-Pandemic through Today



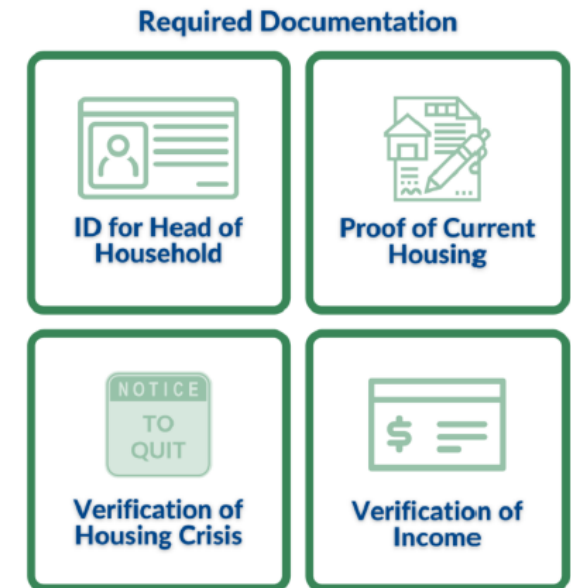
RAFT Pre-Pandemic	Mid-Pandemic	Emergency Housing Assistance NOW
Decentralized program administered by 11 RAAs with different applications & processes	Increasingly uniform application process	CENTRALIZED – One common Central Application being rolled out in phases across all RAAs
Heavily paper-based applications	Mostly electronic applications with some RAAs still using paper/pdf applications	DIGITIZED – Every agency has an online application but with a paper or pdf option available upon request
Application has long checklist of required documentation	DHCD makes multiple revisions to administrative plan to remove barriers to completing an application	STREAMLINED – Only 4 required documents to apply, with presumed/categorical income eligibility if in other benefit programs
Application volume consistent year-to-year and RAAs staffed to match the need	Dramatic increase in application volume, far in excess of RAA capacity. DHCD stands up Rental Assistance Processing (RAP) Center in partnership with Nan McKay	EXPANDED CAPACITY – Continued, high application volume with processing capacity met by more than 400 staff at RAAs and RAP Center
DHCD's role limited to program design, funding, and file reviews	DHCD invests in on-the-ground support at RAAs to provide intensive management assistance and oversee performance	HANDS ON MANAGEMENT – DHCD has dedicated team monitoring performance and compliance, providing technical support & training, ensuring consistency across the state

Emergency Housing Assistance Programs – Application Changes



Since October 2020, DHCD has worked with the RAAs to make numerous changes to our rental assistance programs to streamline the application process and increase the speed at which applications are approved.

- One **simplified application** available in 8 most common languages and accessible on a mobile device
 - Required documentation has been reduced from a long checklist to only four items
 - Only requires information about head of household and does not require social security number or ask about immigration status
- Implemented several ways of verifying tenant income with goal of **reducing documentation** and speeding up processing:
 - Presumed income eligibility if tenants are receiving Department of Transitional Assistance (DTA) or MassHealth benefits
 - Categorical income eligibility for anyone on a state or federal program with the same or lower income limit as ERAP
 - Self-certification of income if paid in cash or zero income.
 - Asking for income documentation (e.g. tax return, pay stubs, benefit letter, etc.) up front accelerates application turnaround time
- Allow **multiple types of documentation** to show proof of current housing and allow **self-certification** of COVID-19 impact
- Allow **landlords to apply directly** for aid on behalf of income-eligible tenants
- Issue **payments directly to tenants**, in accordance with U.S. Treasury guidance, when the landlord cannot be reached or refuses to participate in the program

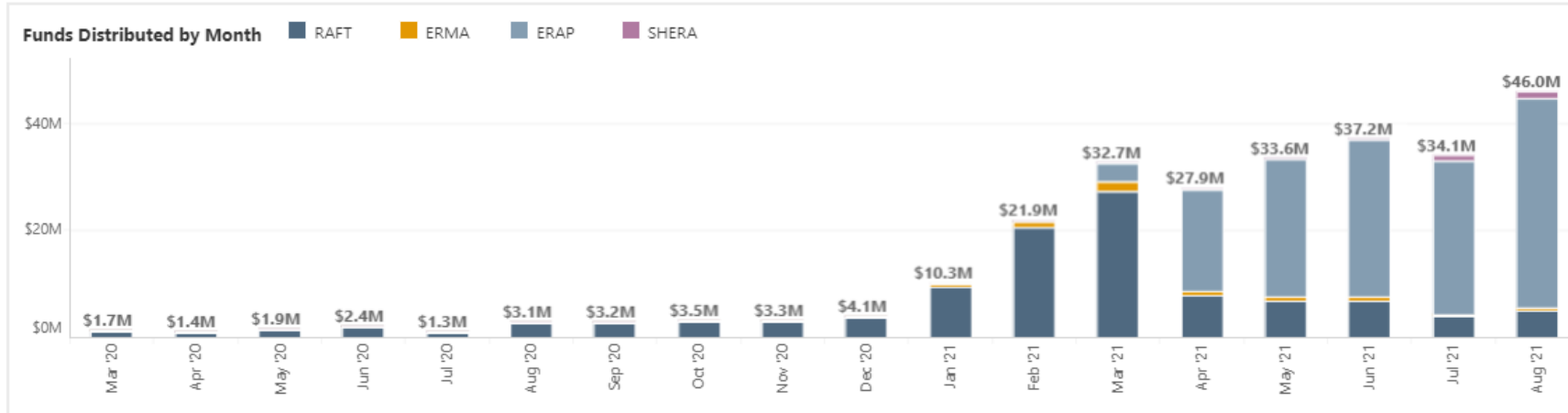


These changes, plus the establishment of the Rental Assistance Processing (RAP) Center, have led to more than 90,000 applications processed and nearly 41,000 approvals from January through August 2021. By comparison, in FY19 RAFT assisted about 6,400 households. Application processing times vary by region, we are currently seeing an average application processing time of **six weeks**.

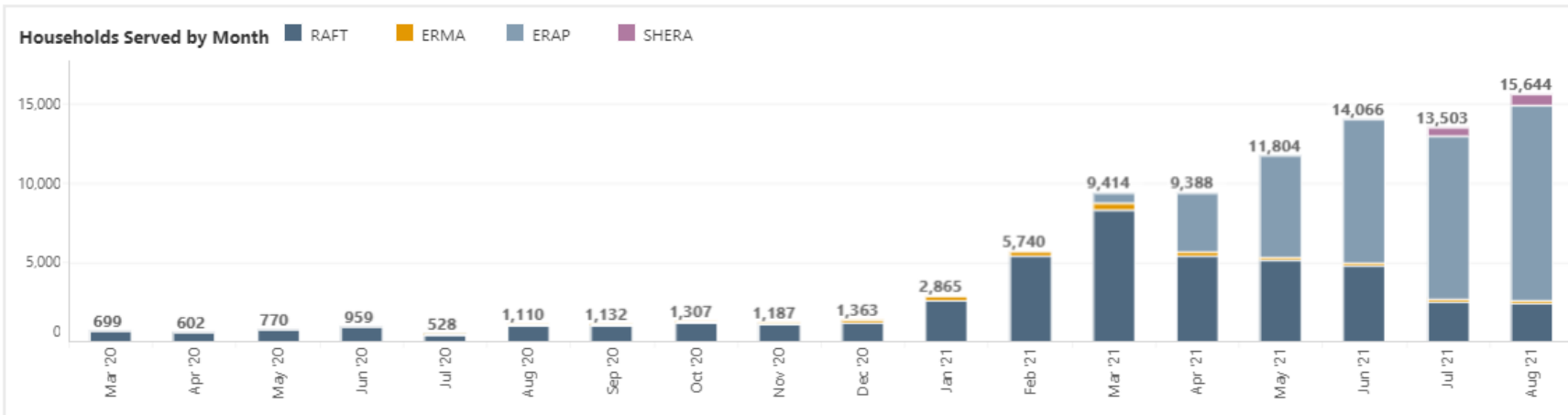
Emergency Housing Assistance Programs – ERAP, RAFT, ERMA, and SHERA



Since the launch of ERAP in March 2021, an average of \$35M has been distributed each month (over \$1M per day) and has assisted between 9,000 – 15,500+ households per month.



\$269.6M
Total Amount of State and Federal Funds Distributed since March 2020



40,197
Total # of Unique Households Served since March 2020

Of those assisted with rent, about 80% were in the pre-court stage

1) The "Households Served by Month" view displays the number of unique households served within each month. There may be duplicate households across months if they receive multiple payments.

2) Funds Distributed is calculated only with direct assistance to households and does not include administrative fees.

3) 8,626 households were assisted with \$40.3M of ERAP (formerly paid by RAFT) prior to official ERAP launch date

Constituent Feedback from Housing Assistance Corporation (HAC) on Cape Cod



Real people are benefitting from our programs every day.

Every week since March 2021, **about 1,000 new households** are approved for assistance.

"I have been working with several agencies since COVID. Unemployment, IRS tax refund, senators, state representatives, etc....They could all take a lesson from Housing Assistance on your **kindness, compassion and efficiency** of your staff. Thank you."

"**I wouldn't know what else to do during this stressful time through COVID.** It means a lot as a single father to have support from housing assistance and other organizations. This has been a blessing to get the help my family needs, thank you."

"The moment I got the positive test results for COVID, I knew I was going to have to climb a mountain to get my financial situation back to normal. I was more anxious about my finances than I was with my positive test results and the pain that followed. **I cannot thank you enough for helping me get this enormous weight off of my chest so I can move forward with my life.** Thank you all again."

"Bless all of you. **You saved my family's life.**"

"I would like to thank you from the bottom of my heart for assisting me and my children. We are so **grateful and appreciate** what you have done for us."

"I was very impressed with the level of **professionalism and efficiency of the staff.** This was a much easier and pleasant experience than I anticipated. I am very grateful and relieved to have been able to get assistance during this pandemic. **This is the first time I have asked for assistance since I started working at 15 years old.** Thank you for the wonderful work. Hoping your company has a reward system in place for professionals of your caliber is very well deserved."

Who are we serving?

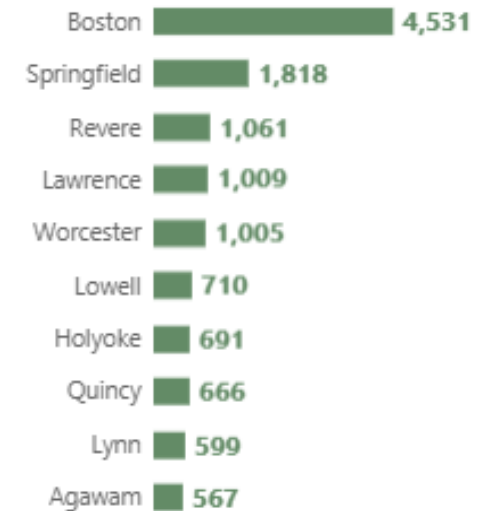


Overall, federal emergency rental aid is being delivered to extremely low-income households, households of color, and households living in communities that have been hard-hit by COVID-19.

From March to August of 2021, ERAP served over **18,500** households with nearly **\$146.0M**

- Almost 60% were extremely low income (ELI) at <30% of median income
 - In MA, 16% of HH (434,505) are ELI, earning less than \$25K/year
- 40% of households identified as Hispanic/Latino
 - Hispanic/Latino households are about 9% of MA's total population and approximately 18% of MA's ELI population
- 29% of households identified as Black
 - Black households are about 7% of MA's total population and approximately 10% of MA's ELI population
- Majority (69%) of heads of household identified as women
 - Female-led households comprise roughly 13% of MA's population

Households Served by Top 10 Cities



Note: If eligible, some households may have been served by a state program (RAFT or ERMA) in addition to ERAP.

ERA I Spending and Obligations in Millions



- At the end of July, according to data reported by the U.S. Treasury, Massachusetts **ranked 4th** in the nation for the percentage of allocated Emergency Rental Assistance (ERA I) dollars spent and **5th** in the nation for ERA I rental assistance dollars spent.
- Treasury has also called out Massachusetts in writing for our "**promising practices**," highlighting us as an example to other grantees for our Eviction Diversion Initiative, partnerships with the Courts, legal services, housing mediators, and large landlords/public housing authorities.
- Treasury has the authority to reallocate funding from jurisdictions who have obligated less than 65% of their ERA I award by September 30, 2021. Therefore, Massachusetts must obligate \$284M (65%) of its \$437M ERA I allocation by then.

As of September 17th, Massachusetts had obligated \$277M (64%) of ERA I. We are confident we will hit the 65% goal.

ERA I	Budget	Spent	Obligated	Total	%
Rental Assistance	353.5	204.9	25.7	230.6	65%
Administration	43.6	21.0	19.4	40.3	92%
Stabilization	39.3		6.4	6.4	16%
Total	436.5	225.9	51.4	277.3	64%

- Recently, there were several press mentions that only 11% of total ERA (ERA I and ERA2) has been spent nationally. In Massachusetts, the state has spent 32% of ERA I and ERA2 (does not include City of Boston's spending, or obligations to households, housing service providers, and legal services).

Emergency Housing Assistance Approval and Denial Rates



Looking at ERAP, RAFT, and ERMA data* from the 8 weeks of July and August (Week of July 5 - Week of August 23) provides a more accurate understanding of approval, time out, and denial rates. DHCD continues to monitor these ratios:

Week of 7/5 - Week of 8/23	Total Processed	Approvals	Time Outs	Denials
Number of Applications	16,774	10,051	5,619	1,104
Rate (# / total processed)	100%	60%	33%	7%

- Overall, we are seeing a **denial rate of 5 - 10%** for all applications processed, depending on the week.
 - About one third of denials reported are duplicate applications. The majority of true denials are cases in which tenants are over income limits (80% AMI), not at risk of homelessness or housing instability, or are otherwise ineligible for assistance.
- Timeouts are due to an applicant or landlord having **not provided enough information** to complete the application, despite multiple outreach attempts by regional agency staff to help them complete the application. Some applications *initially* reported as “timeouts” are **ultimately approved**.
 - DHCD allows a 14-day reopening period after an applicant is notified that their application has timed out. About 20% of applicants reopen their applications after this notification, and about 50% of those ultimately get approved. Others may reapply.
- Furthermore, DHCD estimates about **80% of applications are incomplete** upon initial submission. These incomplete applications are a challenge, as tenants have requested assistance but they or their landlord haven’t yet provided what the RAAs need in order to process the application.

*Data self-reported by individual Regional Administering Agencies (RAAs)

Emergency Housing Assistance Application Support and Outreach



In an effort to **improve application completeness** upon initial submission, DHCD is taking several steps to help deliver assistance more swiftly to those in need:

- Asking specific RAAs to deploy HCEC staff to try to improve their approval percentage;
- Adding more staff at the Rental Assistance Processing Center (RAP) Center to conduct dedicated outreach to timed-out applicants;
- Providing clearer instructions on the state's website, and in the new central application being rolled out in stages across the state, about what is required in an application;
- Doing door knocking and providing application support to vulnerable households in high need communities with the goal of getting more complete applications; and
- Having staff at Housing Consumer Education Centers (HCECs) and paralegals through the COVID Eviction Legal Help Project (CELHP) help households fill out applications for assistance

DHCD has also **partnered with other agencies** to get the word out about the availability of rental assistance including:

- MassDOT and highway signs, as well as MBTA signs
- Department of Elementary and Secondary Education (DESE) shared information via email to 9,000 recipients
- Campaign with the Department of Transitional Assistance (DTA) including emails, postcards, 100,000 text messages, and 300,000 push notifications
- Text message campaign to 550,000 Unemployment Insurance (UI) beneficiaries
- Information shared via Department of Career Services to career centers across the state
- Information shared via Executive Office of Elder Affairs to Councils on Aging and Aging Service Access Points (ASAP) agencies in the state

Chapter 257 Eviction Protections



- Originally enacted in late December 2020, Massachusetts has extended certain housing protections for residents that will be in place out into 2022 and 2023—well beyond the expiration of the CDC Eviction Moratorium:
 - Until April 1, 2022: Massachusetts has preserved **protections for renters that are facing eviction for nonpayment of rent with a pending rental assistance application**. This protection provides for a continuance during the legal proceedings, which keeps the renter stably housed until rental assistance can be deployed.
 - Until January 1, 2023:
 - A notice to quit (**NTQ**) for nonpayment of rent must be accompanied by a form providing information on resources available **relative to rental assistance** as well as background information on what a NTQ means.
 - Landlords are also **required to submit electronically a copy of all NTQs for nonpayment**. EOHED has created an online mechanism to receive these submissions.
 - Until January 2023: As outlined in the session law, the Administration will continue transmitting monthly EDI reports to the Legislature. The Administration has filed timely reports each month since January 2021.
- **NTQ Data Collection and Outreach**
 - NTQ data and trends are shared with EDI partners for the purpose of resource and outreach planning, including on a bi-weekly basis with all Housing Consumer Education Centers (HCECs)
 - In partnership with EOTSS, text and voice messages with resource information sent each week to tenants and landlords identified on NTQs
 - Based on the data, the average number of months in arrears is on a downward trend on month-by-month basis, submissions are for arrears that are largely \$3K or less, and the vast majority are for one month of rent.

Average # of Months in Arrears by Month (Per NTQ Submissions to EOHED)

