

SHERA Eligibility and Requirements Summary

Last Updated: June 30, 2021

The Subsidized Housing Emergency Rental Assistance (“SHERA”) program provides a path to rental arrearage relief for owners and tenants of subsidized housing, by avoiding duplication of the income verification and other compliance work that owners of subsidized housing are already doing to comply with program restrictions.

Through an online portal, owners or their authorized property managers can apply on behalf of multiple eligible tenants in a bulk application to cover 100% of eligible rental arrearages, for the eligible SHERA period (18 months starting on April 1, 2020).

Note: tenants may also be eligible for utilities or moving related expenses incurred during COVID-19 through the Emergency Rental Assistance Program (ERAP) administered by the Regional Administering Agencies (RAAs). Additionally, tenants without income-based rent may be eligible for up to three-months of future rent (stipends) under ERAP. Tenants who need help with utilities, future stipends or moving related expenses, should apply directly to their local [Regional Administering Agency \(RAAs\)](https://hedfuel.azurewebsites.net/raa.aspx) (<https://hedfuel.azurewebsites.net/raa.aspx>) for assistance.

OWNER ELIGIBILITY

To participate in the SHERA program an owner must meet the following criteria:

OWNER ELIGIBILITY CRITERIA	REQUIREMENTS
Threshold Eligibility	ONE of the following three conditions must be satisfied: <ol style="list-style-type: none"> 1. The owner has an existing borrower relationship with MassHousing or Massachusetts Housing Partnership AND the owner is in good standing with MassHousing and MHP; OR 2. Owner is a Public/Local Housing Authority; OR 3. The sponsor has at least one property subject to use restrictions due to participation in a state or federal program that has 20 or more rental housing units.
In Good Standing	A private 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.
Compliance Experience	Private owners or their designated representatives (for example, property managers) must have three years’ compliance experience, and at least one staff member holding certification in compliance training recognized by the affordable housing industry (certification list attached). P/LHAs are exempt from this requirement as administrators of public housing.



<p>Owner Obligations</p>	<p>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:</p> <ul style="list-style-type: none"> • 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.
--------------------------	---

TENANT ELIGIBILITY

Renter households are eligible for federal emergency rental assistance under SHERA if the following criteria are met:

ELIGIBLE HOUSEHOLD CRITERIA	SPECIFIC REQUIREMENTS
-----------------------------	-----------------------

<p>COVID-19 Impact</p>	<p>To receive assistance, households must sign a self-attestation statement that they have experienced a financial hardship related directly or indirectly to COVID-19. Households can establish a COVID-caused hardship if one or more household members:</p> <ul style="list-style-type: none"> • has qualified for unemployment benefits; • has experienced a reduction in household income; • has incurred significant costs due, directly or indirectly, to the COVID-19 outbreak; or • has experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak.
<p>Risk of Homelessness or Housing Instability</p>	<p>Households, at the time of application, must be at risk of homelessness or of housing instability. For a household to meet this requirement, the owner must certify to specific tenant arrearages as part of its application.</p>
<p>Income at or Below 80% Area Median Income (AMI)</p>	<p>The household income limit for SHERA is 80% AMI (https://www.huduser.gov/portal/datasets/il.html). Income eligibility may be verified using a variety of methods, outlined below.</p>

Residents with an income-based rental subsidy are eligible for SHERA as long as they meet the eligibility criteria above. If an eligible household is renting a unit for which the tenant-owed portion of the rent is adjusted according to changes in income, the household may receive SHERA assistance only for the tenant-owed portion of rent that is not subsidized.

INCOME DOCUMENTATION

Owners are expected to obtain and maintain the required income documentation described below. Federal guidance allows a household to demonstrate income eligibility based on either the household’s 2020 annual income (i.e., established by income certifications completed on or after January 1, 2020) or current monthly income. Owners will not need to upload income documentation in the portal, unless requested by DHCD reviewers or auditors.

Alternatives if 2020 Income Certification not Completed. In most cases, income documentation requirements will be met by income certifications to comply with the requirements of state and federal housing programs, such as LIHTC, HOME, and public housing.

However, if a household’s 2020 income certification was not conducted, owners must maintain income documentation supporting that household income is 80% of AMI or below, using **one** of the following documentation methods:

- if the owner elected to defer 2020 income recertifications pursuant to a waiver issued by a state or federal agency that permitted such deferral due to COVID-19, the most current income recertification on file;

- income documentation in accordance with the protocols and documentation standards normally used for the affordable housing compliance requirements at the property (for example, LIHTC recertification, or annual income determination and rent certifications for public housing or rental voucher assistance);
- a filed 2020 IRS Form(s) 1040 to verify 2020 income, one covering each adult household member over 18, if filing separately;
- monthly income documents for two months prior to application (through recent pay stubs for each job, copies of unemployment benefit checks or bank statements, social security, or other benefit letters). In such cases, the owner must calculate the annual equivalent income (for example, by multiplying the two-month total by 6 to get a 12-month equivalent);
- third-party benefit letters dated January 2020 or later confirming any of the following benefits: DTA benefits, MassHealth benefits, Veterans Chapter 115 benefits, or subsidized childcare benefits;

Note: Use of monthly, point in time, income documentation is only acceptable for a single application of rental arrearage assistance. If the SHERA program extends payments beyond September 30, 2021, DHCD will issue future guidance on reapplications for assistance. DHCD will issue future guidance on reapplications for assistance. A yearly certification of income or use of 2020 IRS Form 1040 would not require the tenant to resubmit.

- If a tenant household has no income and has no documentation of the lack of income, then after documenting its efforts to obtain information and determining that a tenant household has no income, the owners may rely on a signed tenant certification of zero income.

SIGNED TENANT CERTIFICATION

To apply for SHERA, an owner must first collect and retain a signed tenant certification letter from the head of the renter household. By signing this letter, the tenant attests that information is correct and complete, and gives permission for the owner to apply to SHERA on their behalf.

The tenant certification includes the following components:

- **COVID-19 Impact.** The tenant attests that they or a member of the household has incurred loss of income or unusual expenses due directly or indirectly to COVID, and indicates whether or not tenant or a member of their household has been unemployed for the past 90 days.

- Notifying the Owner of any Duplicative Assistance. The tenant attests that they will notify the owner if other rental assistance is received for the same rent period paid by SHERA and to make best efforts to return any over-payment. A duplicate is a request for rental assistance covering the same arrearages for the same unit for the same tenant household for the same time period.

Note: If a tenant has already submitted an application to a RAA for any type of emergency rental assistance, through the RAFT, ERMA, ERAP, or similar programs, or to local or philanthropic sources, and that application is still pending, owners are advised to inform tenants to continue moving forward with such applications and not make a duplicate request through SHERA. Tenants may request assistance through SHERA if they received emergency rental assistance in the past but still have unpaid rent due from the eligible SHERA period.

- Tenant Permission. The tenant gives owner permission to apply for benefits on their behalf, and to share the information necessary for doing so. An agent authorized by the tenant may also give permission to the owner to apply on the tenant's behalf (e.g., caseworker or advocate) by producing such authorization.