

## Subsidized Housing Emergency Rental Assistance (SHERA)

### Policy and Program Overview

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## Contents

Overview .....	2
Single Application for Multiple Eligible Residents .....	3
Eligible Owners .....	4
Eligible Properties .....	5
Eligible Uses of Funds.....	6
Eligible Households .....	7
Program Phasing .....	8
Resource Availability .....	9
Owner and Property Registration .....	9
Application Processing .....	10
Frequency of Submission .....	10
Exceptions Requiring Owner Action or Administrative Review .....	11
Document Collection.....	12
Record Keeping .....	14
Federal and State Reporting .....	15
File Reviews and Quality Assurance .....	15
Data Security and Privacy.....	16
Required Program Certifications .....	16
Program Notifications .....	16
Non-Eviction Commitment.....	18
Additional Resources .....	23
Compliance Certification List.....	23

## Overview

The SHERA (Subsidized Housing Emergency Rental Assistance) program is funded through the Federal Emergency Rental Assistance Program, a federally funded emergency housing assistance program for renters impacted, directly or indirectly, by COVID-19. Funds are provided directly to States, U.S. Territories, local governments, and Indian tribes by the U.S. Department of the Treasury (“the Treasury”) under the Consolidated Appropriations Act, 2021.

SHERA helps residents of public and affordable housing clear rent arrearages. Under the SHERA program, qualified owners<sup>1</sup> of rent-restricted properties with financing from MassHousing, Massachusetts Housing Partnership (MHP) or the Department of Housing and Community Development (DHCD), or that received preferential zoning obtained under Chapter 40B or Chapter 40R, as well as Public/Local Housing Authorities (P/LHAs), are able to apply for assistance with their rental arrearage accounts on behalf of their income-eligible residents for up to 18 months of rental arrears incurred from April 1, 2020 through the end of the eligible SHERA period.

- The “eligible SHERA period” is defined as the period from April 1, 2020 through the end of the SHERA program. As of October 2021, the SHERA program is scheduled to end in June 2022, but this date may change depending on availability of funding. Changes to the scheduled program end date will be communicated on the SHERA Portal and by policy memo.
- Qualified owners may apply for up to 18 total months of assistance for any given resident. If an owner applies for and receives fewer than 18 months of assistance for a resident, the owner may later reapply for additional months (up to 18 month maximum across applications) if that resident remains eligible. (Note: the 18-month limitation applies to combined assistance from SHERA and the Commonwealth’s federal Emergency Rental Assistance Program, “ERAP”.)
- SHERA will process assistance for a given month after the first day of the following month. Current and future months will not be processed. For example, assistance for July 2021 arrears will be accepted no earlier than August 1st, and assistance for

<sup>1</sup> For purposes of this Policy, the term “owner” is used to refer to the legal entity that owns a particular affordable housing property. Most properties in private ownership have a separate “sponsor” - the organization that served as sponsor/developer during the property’s development phase, and remains involved in day-to-day decision-making (often through the owner entity’s general partner or managing member) but is not the record owner of the property. A single organization may serve as the sponsor for a portfolio of many properties in separate ownership. While the sponsor may submit information to MH and MHP for multiple properties, SHERA funds will be paid to the owner entity on a property by property basis. Public/local housing authorities serve as both owner and sponsor for their properties.

August 2021 arrears will be accepted no earlier than September 1<sup>st</sup>.

- SHERA assistance only covers rental arrears. Renters living in public or other income-restricted rental housing who need help with overdue utility payments are encouraged to apply for assistance directly through their Regional Administering Agency (RAA).
- Although program materials from the U.S. Department of Treasury and the Commonwealth's ERAP may be useful, owners and sponsors should use this policy as the predominant guidance for SHERA.

In order to award rental assistance funds to a household, the Treasury's emergency rental assistance guidance requires grantees to verify that:

- The household can demonstrate a risk of experiencing homelessness or housing instability;
- The household has a household income at or below 80% of area median income (AMI); and
- The household has experienced financial hardship due, directly or indirectly, to the COVID-19 outbreak. (Note: "due directly or indirectly to COVID-19" means that the financial hardship was either directly caused by COVID-19 OR that the household's financial condition has become worse since March 2020. This could include losing a job, having hours reduced, losing access to childcare or dependent care, seeing increased expenses, or similar consequences.)

In addition, funding will be prioritized to those unemployed for 90 days or more at the time of application, and/or those with a household income of 50% AMI or below.

## Single Application for Multiple Eligible Residents

DHCD has designed SHERA to provide qualified owners with the ability to submit a single application for multiple residents of a property through an online portal. Owners (or their property managers) will inform residents with rental arrearages about this program and will work with eligible residents to apply for assistance on their behalf.

Affordable housing owners of properties with loans held by MassHousing and/or MHP, Massachusetts P/LHAs, and owners of other DHCD-subsidized affordable housing properties are well-positioned to provide tenant verification of eligibility within the course of their normal business activities, including documentation and eligibility protocols. DHCD is therefore opening an expedited application and review process for distributing rental arrearage payments directly

to public and subsidized housing owners and their designated management agents. SHERA offers bulk processing of assistance requests as long as:

- Owners can readily document tenant arrearages, thereby providing direct proof of households' risk of housing instability, and
- Owners can document tenant income eligibility through tenant income verifications dated on or after January 1, 2020 that are already required to comply with public housing requirements and with federal programs, such as the Low-Income Housing Tax Credit (LIHTC) program, HOME and CDBG, and various state subsidy programs, including 40B and 40R. In cases where annual income certification has not yet been completed, owners have the relationships with the tenants, and the necessary expertise, to fulfill this task.

## Eligible Owners

**Sponsor/Owner Definition.** An "owner" is the legal entity that owns a particular property. Typically, an owner is a single-purpose entity established for the sole purpose of developing and operating a particular property. A "sponsor" may serve as the sponsor for multiple properties, and may be an organization with multiple, wholly-owned owner entities consolidated into their organizational financial statements. In many cases, owners and sponsors will be represented by third-party property managers. A Public/Local Housing Authority is both the "sponsor" and the "owner" for units that it owns and manages.

To participate in the SHERA program all owners must meet the following criteria:

**Threshold Eligibility.** ONE of the following three conditions must be satisfied:

1. The owner has an existing borrower relationship with MassHousing or MHP 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 that is subject to use restrictions due to participation in a state or federal program and that has 20 or more rental housing units.

**In Good Standing.** 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.

**Compliance Experience.** Owners or their authorized 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.

**Owner Obligations.** 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 annual 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.

## Eligible Properties

Eligible owners can submit applications for properties meeting the following criteria:

**Subsidized Housing.** Under SHERA, eligible properties are income-restricted affordable rental housing properties, owned by eligible owners, that:

- (a) received state or federal subsidies in the form of grants, soft loans, tax credits or preferential zoning obtained under Chapters 40B or 40R to subsidize their construction

and/or rehabilitation, and are subject to a recorded use restriction held by the Commonwealth or another state public or quasi-public agency, or by a municipality if the property was developed under Chapter 40B or 40R, **or**

(b) currently receive project-based rental assistance under contracts administered by the Commonwealth or other state public or quasi-public agencies.

**Subject to Audit.** Properties eligible for assistance must be subject to annual audit. This audit may be for a single-purpose owner entity, for sponsor entities in the case of wholly-owned owner entities whose properties are reflected in the owner's organizational audit, or in the case of local housing authorities, the Agreed Upon Procedures report.

**A note for mixed income and scattered site properties.** While many eligible properties contain both income-restricted and market rate units, the non-restricted units might possibly be occupied by low-income residents. Owners are encouraged to apply for assistance for these households provided that the owner can document that their current incomes are at or below 80% AMI. A scattered site property is eligible if, in the aggregate, at least some housing units are restricted to households at 80% AMI or less.

## Eligible Uses of Funds

**Rental Arrears.** The SHERA program limits assistance to tenant-paid rent due during the eligible SHERA period. Total assistance for any given household is limited to 18 months of rent arrears; however, these months do not need to be consecutive. There is no dollar limit to total benefits per eligible household. Provided that all normal eligibility criteria are met, and the tenant has provided their consent to apply, SHERA will pay arrearsages owed for a unit which the tenant has already vacated or intends to vacate (note: SHERA payments will only be made for the months during which the tenant resided in their unit). SHERA does not cover rent due prior to April 1, 2020, even if it is covered by existing repayment agreements that are now in default. If SHERA pays for arrearsages dating back to April 1, 2020, but there are still outstanding rent arrearsages from before this date, the owner is encouraged to make reasonable and good faith efforts to forgive these prior arrearsages, begin a repayment plan, or refer the tenant to the state-funded no cost community mediation program.

**Limitations.** SHERA will only cover dwelling rent arrearsages, and not other landlord-imposed costs such as parking fees, pet fees, or damages. Also, SHERA does not cover other benefits typically offered by Regional Administrative Agencies (RAAs), such as utilities or moving-related expenses. If residents need assistance with costs other than rent arrearsages, owners are encouraged to refer residents to RAAs to apply for these other benefits.

## Eligible Households

To participate in SHERA, renter households must have been financially harmed by COVID-19, currently be at risk of homelessness or facing housing instability, and have an income at or below 80% of the area median income.

Residents receiving income-based rental subsidy are eligible for SHERA. If an eligible household receives a monthly subsidy and 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.

**COVID-19 Impact.** 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:

- 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.

“Indirect” COVID-19 impact includes financial condition becoming worse since March 2020. This could include losing a job, having hours reduced, losing access to childcare or dependent care, seeing increased expenses, or similar consequences.

**Risk of Homelessness or Housing Instability.** 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.

**Income at or Below 80% Area Median Income (AMI).** The household income limit for SHERA is 80% AMI. Income eligibility may be verified using a variety of methods, outlined below in the subsection labeled “Income Documentation.”

The program will use the HUD Income Definitions when calculating annual household income, unless the household produces a copy of its filed current IRS Form 1040, in which case the Owner may use the Adjusted Gross Income (AGI) listed on that form. If Form 1040 is the form of documentation used by the owner, and if two or more adults in the household file separately, each adult over the age of 18 must provide his or her filed Form 1040.

**Priority Applicants.** The Treasury grants priority to two groups of applicants: 1) households in which one or more members of the household have been unemployed for 90 days or longer at the time of application, and 2) households with incomes at or below 50% AMI. In order to implement these priorities, a minimum of 50% of federal funds disbursed will be reserved for households in one of these two categories. DHCD will monitor spending to ensure this

percentage is upheld.

**Other Eligibility.** The SHERA program does not have an immigration status requirement; households may be found eligible regardless of immigration status.

## Duplication of Benefits

If an owner receives a payment from a state (e.g., RAFT, ERMA, ERAP), federal, municipal, or philanthropically funded rental assistance program which duplicates a payment made under SHERA (same tenant, same address/unit, same rental arrearage amount covering the same period of time), the owner will refund the duplicate payment amount to the Commonwealth, as stated in the Owner Agreement.

In addition, please note that households may only receive 18 months of assistance **total** between ERAP and SHERA, even if those months do not overlap. For example, if a household received ERAP payment for rental arrearages from April 2020 through June 2021 (15 months), the household could only receive up to 3 additional months of rental assistance, whether through SHERA or ERAP. The SHERA Program will monitor for this and administer benefits accordingly.

## Program Phasing

SHERA has been rolled out in three phases. DHCD, MassHousing, and MHP reviewed their portfolios to determine which owners were eligible to register based on the sponsor, owner and property eligibility criteria. All owners and properties that appeared to meet the criteria received a specific electronic invitation to register and submit applications once participation criteria were verified.

**Phase 1 Registration & Application (April 2021):** Owners with eligible properties that currently have outstanding loans from either MHP or MassHousing.

**Phase 2 Registration & Application (May 2021):** Owners with properties that do not currently have outstanding loans from either MHP or MassHousing, with one of the following characteristics:

- The eligible property benefits from a project-based state or federal monetary subsidy, including subsidies received from DHCD; or
- The owner is a Public/Local Housing Authority.

**Phase 3 Registration & Application (July 2021):** Owners with eligible properties that received preferential zoning under Chapter 40B and Chapter 40R, or are approved as Local Action Unit projects under the Local Initiative Program but do not have outstanding loans from either



MassHousing or MHP and do not benefit from a project-based state or federal monetary subsidy.

Note: All participating owners must meet all other qualifications for participating as described in this Policy and Program Overview.

Owners of properties not meeting one of these criteria are encouraged to refer residents to RAAs for emergency rental assistance, including help with rent and utility arrearages, with all other payments due to the landlord, and with moving expenses as provided under ERAP and RAFT. Additional resources may be found [here](#).

## Resource Availability

SHERA provides benefits to cover past non-payment of tenant rent. SHERA does not provide stipends for prospective rent, and because continuation of the SHERA program is subject to availability of funding, SHERA does not guarantee that any future arrearages accrued will be covered. In addition, SHERA may institute prioritization or benefit caps based on overall rental assistance need. Owners should emphasize to tenants that they should continue to pay rent even if they are approved for SHERA assistance (unless they have specifically made alternative arrangements with owners).

## Owner and Property Registration

To participate in SHERA, owners (or the owner's authorized representative) first register in the SHERA Online Portal. To register, owners must sign the Owner Agreement, sign a compliance training certificate (P/LHAs are exempt from this requirement), and certify that they meet the eligibility criteria described above. The registration process will include owner validation based on the owner's Tax ID.

Owners (or the owner's authorized representative) may then register their eligible properties in the portal. Once owners or managers have registered a property, they can then submit property-specific applications on behalf of multiple residents for rent arrearages.

To register a property, the property owner (or the owner's authorized representative) must provide a W-9, locate the property in the system by using the property's issued ID, and upload a list of all units at that property with qualifying arrearages. This list of units will be verified in the system against property location, number of units, and the Property ID provided to the owner by MHP, MassHousing, or DHCD, depending on owner type. Separate procedural guidance will be provided to assist with the registration process.

## Application Processing

A bulk application submitted by an owner in the SHERA Online Portal consists of multiple tenant requests for assistance payments, or “tenant claims.” Owners must provide a list of data elements for each tenant claim in an excel or csv file. This file represents one application. Once an application is uploaded into the portal, each tenant claim is assigned a unique identifier for tracking, payment, and reporting purposes. Applications will be processed and payments made monthly, if not more frequently, to the property’s legal ownership entity for each approved tenant claim within an application. Each tenant claim in an application must include:

- The address for each unit (matched against the owner-registered list);
- Tenant information, including first and last name, date of birth, race, ethnicity, language preference, and last four digits of the principal tenant’s social security number;
- Tenant’s share of the contracted rent owed for each month;
- Rent arrearage payment requested for each month.

Note: Required application data may be adjusted if Treasury requirements change.

DHCD is responsible for final application review and for approving all assistance payments. The SHERA Online Portal will conduct a range of system checks verifying that:

- Each household’s arrearage amount is less than or equal to the household’s portion of the monthly rent obligation;
- Assistance is only provided for units at qualifying and validated properties;
- All required information has been provided;
- There are no duplicate or overlapping requests;
- All required documentation has been uploaded.

## Frequency of Submission

Owner/agents have flexibility in how often they file tenant claims. For example, owners may choose to submit tenant claims every three months or submit claims each month over multiple months. Owners may upload one or many tenant claims in a single bulk application.

Use of monthly, point in time income documentation is only acceptable for a single tenant claim of rental arrearage assistance. A yearly certification of income or use of 2020 IRS Form 1040 does not require the tenant to submit new income documents.

## Re-Applications for Additional Assistance

Owners may upload multiple claims for a single tenant household, provided that the claims are for different months of assistance. Owners may also resubmit a claim if it was previously denied, provided the claim has been corrected.

Households that have already signed a Tenant Certification of Rental Assistance Eligibility for the owner to apply to SHERA on their behalf do not need to complete a new certification to receive additional assistance.

If an owner/agent intends on requesting additional assistance beyond the original request, they must first notify the household of its intent to do so, using the language below. The household has five (5) days to respond if it wishes to decline the additional assistance. If the household does not opt out of the additional assistance within those five days, the owner/agent may then submit the additional claim through the SHERA Portal.

*This letter is to inform you that we will be applying to the Subsidized Housing Emergency Rental Assistance (SHERA) program for more rental assistance on your behalf. The application will be requesting a total of \$\_\_\_\_\_ in rent that you owe for [insert month(s)].*

*If you have any questions or wish to decline the additional rental assistance, please contact \_\_\_\_\_ within [at least 5] days of the date of this letter. If we don't hear from you by then, we will submit the SHERA program application on your behalf.*

*For assistance understanding this letter, for language assistance, or for reasonable accommodations, please contact \_\_\_\_\_.*

**Tenant claim already submitted, pending approval:** These claims will be processed for payment. Owners/agents must submit new claim(s) in the SHERA Portal for any new months of assistance requested for each household.

*For example: a claim is submitted in the SHERA Portal for April 2020 thru March 2021 arrears totaling \$5,000 and is pending approval. The tenant household also has rent due for April, May, and June 2021. The owner/agent may submit claim(s) for these additional arrearage amounts starting July 1, 2021.*

**Tenant claim already approved:** Households with a claim that was approved for fewer than 18 months of arrearage may apply for additional months, up to a total of 18 months maximum across applications.

*For example: a claim is submitted in the SHERA Portal for June 2020 thru February 2021 arrears totaling \$3,000 was approved. The household also has rent due for August 2021. The owner/agent may submit claim(s) for these additional arrearage amounts starting September 1, 2021.*

## Exceptions Requiring Owner Action or Administrative Review

If a tenant claim does not pass the system checks listed above, that individual claim will then either be rejected and sent back to the owner or flagged as an “exception” for secondary review. At this point a reviewer from DHCD, MassHousing, or MHP may request further documentation to clear up the exception for that tenant claim or to make certain that a rejection is correctly determined. The following tenant claims will be rejected:

- Any request for assistance for a unit that has not been registered as a qualified address in a qualified property;
- Any request for assistance that exceeds the tenant share of contracted rent for the unit for any given month; or
- Any duplicate requests for assistance for a particular unit for a given month, or for a particular tenant for a given month, based on the unique identifiers of both tenants and unit addresses

The owner will be notified of the rejection, which will note that, if the issues are resolved or corrected, the owner may submit the application again.

The SHERA Online Portal will flag as an exception any request for total assistance for a particular tenant that exceeds limits, which DHCD will establish and periodically adjust in accordance with ongoing data review and risk management. Tenant claims in this category will be approved as long as a secondary administrative review confirms that the arrearages requested represent eligible costs incurred by qualified households. Owners will be required to upload a copy of the lease and/or lease addendum, which must state the rental amount, plus documentation of the tenant's payment history, and a copy of tenant signed certification used by the owner to apply for SHERA.

If an owner does not respond to a request for additional documentation regarding any tenant claim requiring a manual review within 30 days, that tenant claim will be denied. Notice of denial will be sent to both the owner and the tenant.

## Document Collection

*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. 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.

**Housing Instability or Risk of Homelessness.** Owners must certify specific tenant arrearages as part of submitting each application; landlord certification of arrearages is a form of acceptable documentation of housing instability or risk of homelessness specifically allowed under Treasury guidance.

**Signed Tenant Certification of Rental Assistance Eligibility.** To apply for SHERA, an owner must first collect and retain the signed tenant certification from the head of the renter household. By signing this document, 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.
- Rent Arrearages. The tenant attests to the total amount of assistance being sought to pay for rent arrearages and which months those rent arrearages were due.
- No Duplicative Assistance. The tenant attests that the SHERA request for assistance does not duplicate any other government assistance provided or to be provided for the same costs. 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 during 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.

## Record Keeping

Owners must retain all program records for six fiscal years after benefits have been received. This file may be digital or physical, or a combination of the two, and include records of any communications with the tenant or other party involved in the application. The following documentation is required in the owner's files for all approved tenant households:

- Copy of identification for head of household
- Verification of current housing (e.g., lease, tenancy agreement or tenancy at will form)
- Documentation of qualified rent arrearages (e.g. account ledger, arrearage report)
- Verification of income
- Signed tenant attestation letter, which must include:
  - Attestation of COVID-19 Impact
  - Attestation of no duplicative assistance
  - Attestation of rent arrearages
  - Permission for the owner to apply for SHERA on their behalf

- Authorization for the owner (or the owner's agent) to share information necessary to process the application and for reporting.
- W-9 for property owner
- Proof of ownership of property, or each unit, for which SHERA relief is requested

## Federal and State Reporting

US Treasury guidance establishes a list of data on all applicants that must be collected and retained. This data consists of:

- Head of household gender, age, race and ethnicity
- Number of people in the household
- Household gross income
- Specific arrearages, by month
- Tenant share of monthly contract rent, if applicable
- Landlord name, address, and Social Security number or tax identification number

The SHERA Online Portal requires owners to provide data in all of these categories in order for requests for payment to be processed, and reporting to the Treasury and the state. Required application data will be adjusted as necessary if Treasury requirements change. The Owner Agreement requires owners to agree in advance to comply with any reporting requirements that the Treasury may add in the future.

## File Reviews and Quality Assurance

SHERA will institute a program of audits and file spot checks based on the sampling model of LIHTC and other federal programs with well-established compliance regimes to which most of Mass Housing and/MHP's borrowers and affordable housing properties are subject. Specifically:

- Owners must obtain and retain files for all tenants on whose behalf they apply; an agreement to do so will be a prerequisite for program participation.
- Any application at any time may undergo a DHCD quality assurance review, confirming that all necessary documents are in the file, and to verify that payment was issued in accordance with this policy. If notified, owners must provide auditable documents upon request and within a specified timeframe, which they may do via the document upload feature of the SHERA Online Portal.
- A prerequisite for participation in the program is that the property is subject to an annual audit (or Agreed Upon Procedures if a state public housing property).

Separate program guidance will be issued for auditors to ensure that property audits will specifically include review of any rental assistance funds received (from federal, state or local sources), and verification that funds were properly applied to tenant accounts.

## Data Security and Privacy

Owners will be required to certify, as part of the required Owner Agreement, that they and their designated property managers have established privacy protocols in place to protect the tenant data that they collect and transmit.

## Required Program Certifications

**Owner Certification.** Prior to submitting an application in the online portal, owners (or their authorized representatives) must certify in the portal that information is complete and accurate to the best of their knowledge, that they have secured tenant authorization to submit the application, and that they will adhere to all the provisions of the Owner Agreement.

**Owner Compliance Training Certification.** Owners (or their authorized representatives) complete and upload this certification in the portal. This certification demonstrates compliance training recognized by the affordable housing industry. P/LHAs are exempt from this requirement as administrators of public housing.

**Tenant Certification of Rental Assistance Eligibility.** This document must be signed by the tenant to comply with eligibility requirements for emergency rental assistance and to allow the owner (or the owner's authorized representative) to apply on their behalf. Owners must collect and retain this certification prior to applying for assistance.

## Program Notifications

Because owners are applying for assistance on a tenant's behalf, the owner is expected to communicate application status directly with tenants within a reasonable timeframe, not to exceed 30 days. A standard form of letter for each notification type is included on the Online Portal that owners are expected to use for this purpose. All tenant communications must be documented in the tenant file.

**Tenant Outreach Letter for private owners.** Owners must distribute this letter to all tenants with eligible arrearages. This letter explains the program, its eligibility requirements, and how to apply for assistance.

**Tenant Outreach Letter for housing authorities.** This letter must be distributed by housing authorities to all tenants with eligible arrearages. This letter explains the program, its eligibility



requirements, and how to apply for assistance. *The tenant outreach letter is available on the SHERA Portal.*

Additionally, there is an outreach letter specifically for tenants with income-based rent who DO NOT have arrearages on record during the eligible SHERA period in participating properties. This letter explains that tenants who do not have arrears should come in for an interim recertification to report change in income since any previously owed rent could count as arrears and be covered by SHERA.

**Notification to Tenants: Application Submittal.** Owners must inform each tenant in writing of the submittal date and the amount of assistance requested, broken out by month.

**Notice of Reapplication.** Owners and property managers must distribute this letter to all tenants **requesting additional assistance beyond the original request** with eligible arrearages. The household has five (5) days to respond if it wishes to decline the additional assistance. If the household does not opt out of the additional assistance within those five days, the owner/property manager may then submit the additional claim through the SHERA Portal.

#### Application Outcomes:

- **Payment.** Owners are expected to generate and send this notice as a formal letter to tenants once payment is received. The payment notice must specify the dollar amount of rental arrearages for which application has been made, the amount of reimbursement that the owner has received, and the months for which the payments have been applied to the tenant's account.
- **Notice of Ineligibility (Non-Participation Record and Notice of Outstanding Arrearages)**  
A tenant or their representative may decline to participate, submits the Tenant Certification of Rental Assistance Eligibility but does not meet the program eligibility requirements, or be unresponsive to the owner's request to participate. In these cases, the owner shall send the tenant a notice documenting the reason(s) for ineligibility, identify outstanding arrears still due, and information on other eviction diversion resources. If the owner finds the tenant ineligible, the owner must provide an opportunity for an administrative review conducted by a staff person that did not make the initial determination.
- **Agency Denial.** If DHCD denied a tenant claim submitted by the owner (or the owner's authorized representative), DHCD will notify the tenant and the owner of the assistance denial in writing. This notification will include reason(s) for denial, provide the tenant with an opportunity to request an administrative review by DHCD, and provide information for other rental assistance programs.

**Owner Non-Participation.** Owners are not required to participate in SHERA. For owners determined ineligible to participate, or who choose not to participate, or are non-responsive, MassHousing/MHP/DHCD will provide information on ERAP, administered through RAAs, for owner distribution to tenants.

All template documents for distribution to tenants will be translated into Spanish, Portuguese, Haitian Creole, Chinese, Vietnamese, Khmer, and Russian. Owners may supplement, but not replace, any required notification letter with other methods (e.g., email, SMS text) available through the portal.

## Non-Eviction Commitment

### A. Overview

This section provides clarification on provisions in the SHERA Owner's Agreement around prevention and suspension of evictions.

### B. Resolution Steps for Non-Payment of Rent (All Households)

As participants in the SHERA program, property owners are expected to attempt the resolution steps outlined below prior to filing a notice to quit (Step 3) or Summons and Complaint (Step 5) against any of their tenants for non-payment of rent. If resolution of the arrearage is achieved at any step, the sequence should not be continued. As a component of SHERA Owner Agreement compliance monitoring, DHCD may ask to review documentation demonstrating that owners pursued these resolution steps.

Step	Definitions/Notes	Escalation
1. Reapply to SHERA (if appropriate)	For tenants who have previously received SHERA and have additional eligible arrearages, reapply for them if possible.	<b>Notice to Quit</b> This solution must be considered prior to issuing a notice to quit.
2.A. Conduct outreach to tenants to promote program access and awareness	At a minimum, deliver a copy of the SHERA Tenant Outreach Letter and SHERA Tenant Overview Reference Guide and attempt to contact the tenant about SHERA by phone, text, or e-mail within the 10 calendar days following delivery. Owners are encouraged to make more than one attempt and to utilize phone and/or text whenever feasible.	<b>Notice to Quit</b> Unless the tenant declines (in writing) to participate in SHERA, at least 10 calendar days must elapse from delivery of the Outreach Letter and Tenant Reference Guide, and at least 5 calendar days must elapse from the first attempt to contact the tenant by phone, text or e-mail, before the owner can issue a notice to quit.

	In addition, owners are encouraged to review and implement practices contained within the <a href="#">SHERA Best Practices</a> guide.	
2.B. Offer solutions in conjunction with and/or instead of SHERA	<p>Although this is listed as its own step, it may often be effective to pursue Step 2.B in conjunction with Step 2.A. For example, in the Outreach Letter delivered in 2.A, owners may want to highlight that these alternatives are available for arrearages which are not covered by SHERA.</p> <p>Minimum alternatives which must be offered:</p> <ul style="list-style-type: none"> <li>• <b>Interim recertifications:</b> If applicable, inform residents to request an interim recertification. Note: SHERA may be able to pay retroactive rent which is due as a result of increased, unreported income captured in an interim recertification.</li> <li>• <b>Hardship exemptions:</b> Continue to inform residents of hardship exemptions as allowed under the housing subsidy program.</li> <li>• <b>Written repayment agreements:</b> The repayment agreement offered must not assess late fees to the tenant and should attempt to avoid lump sum repayments at the end of the rent deferral period.</li> </ul>	<p><b>Notice to Quit</b></p> <p>Unless the tenant declines (in writing) the solutions offered, at least 10 calendar days must elapse from the owner's documented offer of solutions before the owner can issue a notice to quit.</p>

	<ul style="list-style-type: none"> <li>• <b>Advise tenants of additional assistance available:</b> Inform residents of the availability of additional sources of rental assistance, which may include ERAP, RAFT and/or local sources of assistance.</li> </ul> <p>Owners are also encouraged to make efforts to offer forgiveness to any resident impacted by COVID-19 for rent arrears predating April 1, 2020 or other time periods not covered by SHERA.</p> <p>Although it is not required at this stage, owners are also encouraged to get an early start on Step 4, pre-court mediation (see Step 4 for information about free mediation services available). Neutral mediators can be of great assistance in the exploration of possible solutions with the owner and the tenant.</p>	
3. Issue notice to quit together with SHERA tenant consent form	<p>If the preceding steps have failed to yield a resolution or tenant response within the indicated timelines, the owner may issue a notice to quit. At this step, the owner should have documentation available of having taken Steps 1 and 2.</p> <p>The owner <b>must</b> provide the tenant with another copy of the SHERA Tenant Certification of Rental Assistance Eligibility with the notice to quit in order to provide the tenant</p>	<p><b>Summons and Complaint</b></p> <p>If the tenant consents to participate in SHERA at this step, the owner must proceed with SHERA and not continue further with the eviction process. Alternatively, if the tenant has submitted an application for another form of rental assistance such as ERAP, owner must cooperate in submitting any required documentation to enable tenant to receive assistance.</p>

	another opportunity to consent to participate.	
4. Seek <b>pre-court</b> mediation	<p>Any trained, neutral, 3<sup>rd</sup>-party mediator may be used. Note that <b>free</b> Housing Mediation services without income qualification are offered under the Eviction Diversion Initiative (see <a href="#">Housing Mediation Program flyer</a> for additional information or <a href="#">find your local Housing Mediation center</a>). If both parties are responsive, the Housing Mediation Program is generally able to schedule mediations within 1-2 weeks from initial contact.</p> <p>Note that this requires owners to seek to resolve the situation with their tenant through mediation <b>before</b> a court filing. A Tier 1 mediation in Housing Court does not satisfy this requirement, as it can only occur after the filing of a Summons and Complaint.</p>	<p><b>Summons and Complaint</b></p> <p>Owners may only proceed to Summons and Complaint if pre-court mediation is unsuccessful in one of the following ways:</p> <ul style="list-style-type: none"> <li>• The mediation process concludes without resolution of the arrearage</li> <li>• The tenant declines to participate in mediation</li> <li>• Both the mediation organization and the owner have attempted to contact the tenant about mediation, and at least 10 calendar days have elapsed from the initial attempts without the tenant responding</li> </ul> <p>In the tenant's file, owners should record the dates and outcomes of attempts to contact the tenant about mediation.</p>
5. File Summons and Complaint	After following Steps 1-4, owner may proceed to file a Summons and Complaint in accordance with applicable state law. However, if after the filing, the tenant agrees to accept SHERA (or any other form of rental assistance that will satisfy all arrearages in full), owner agrees to "suspend" the eviction proceedings (see definitions below). If seeking a court-mediated agreement for	

	<p>judgment, Owner shall request that the court agreement acknowledge the SHERA Owner's Agreement not to evict for 6 months after applying the final SHERA payment to that tenant's account.</p> <p>Note that if a household has received a SHERA payment within the past 6 months, the owner may <b>not</b> initiate Step 6 until the 6-month period for that household has elapsed (cf. Section C of this policy).</p>	
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### C. Non-Eviction Requirements (SHERA Households)

1. Per the [SHERA Owner's Agreement](#), owners may not initiate a new eviction (and must suspend pending evictions) for non-payment of rent for each household that has received ERA payments under SHERA within 6 months after the last ERA payment is applied to that household's account.
2. "Initiating a new eviction" means issuing a Summons and Complaint. SHERA owners **may** issue notices to quit to households that have received SHERA payments within the past 6 months provided that the escalation steps detailed in Section B of this policy have been properly followed.
3. "Suspending a pending eviction" implies different concrete actions depending on the stage of the eviction process. See table below:

Stage in eviction process	Appropriate action to "suspend" eviction
Notice to quit has been issued	Do not issue Summons and Complaint
Summons and Complaint has been issued	Move to dismiss the case
Court event has been held	Move to dismiss the case
Court has issued judgment of eviction	Move to vacate the judgment

### D. DHCD Monitoring of Compliance

1. DHCD will accept reports of possible non-compliance with this policy submitted to [shera@mass.gov](mailto:shera@mass.gov). Reporters may ask to remain anonymous, in which case DHCD will not share their identity unless so compelled by law.
2. DHCD will accept reports of possible non-compliance from the following parties:
  - Tenants of SHERA-participating properties
  - SHERA-participating organizations
  - Tenant advocacy organizations

3. In response to a report of possible non-compliance, DHCD may reach out to a SHERA property owner to request to review one or more tenants' files. This constitutes compliance monitoring per the SHERA Owner's Agreement.
4. If non-compliance is found, DHCD will develop a corrective action plan together with the owner which identifies appropriate steps to cure the non-compliance and to avoid similar instances in the future.

## Additional Resources

Additional resources will be provided during the duration of the program to assist owners and residents. These resources include a program of frequently asked questions, key points for discussing the program with residents, and eligibility and requirement summaries for owners, tenants, and other stakeholders.

## Compliance Certification List

- AHCP – Accredited Housing Compliance Professional – AHTCS
- C3P Tax Credit Certification – Spectrum
- COS – Certified Occupancy Specialist – National Center for Housing Management
- HCV (Housing Choice Specialist) – Nan McKay
- HCCP – Housing Credit Certified Professional – US Housing Consultants
- MPHA - Massachusetts Public Housing Administrator – Mass-NAHRO
- SHCM – Specialist in Housing Credit Management – NAHMA
- TaCCs - NAHRO/Quadel