

May ____, 2020

Ita Mullarkey
Acting Assistant Undersecretary
Division of Housing Stabilization
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114

Re: Taking action to improve housing stability for families participating in the HomeBASE program

Dear Assistant Undersecretary Mullarkey,

Thank you for your April 8, 2020 issuance of HomeBASE guidance to administering agencies about adjusting HomeBASE allocations and relaxing stabilization plan requirements. We write today with follow-up concerns that have not yet been addressed.¹

More than two months after a state of emergency was declared in the Commonwealth, it is clear that this is an emergency with no easily identifiable end. From both a public health and fiscal health standpoint, it is critical for the Commonwealth that we ensure that families participating in the HomeBASE program do not become homeless again. At the same time, many landlords find themselves struggling to make mortgage payments, under conditions that raise the specter of a housing market collapse. The widespread financial difficulties by HomeBASE participants may also jeopardize the solvency of hundreds of small landlords throughout Massachusetts.

In the interest of protecting the tenancies of HomeBASE participants, the tenancies of those who have lost income or seen expenses increase as a result of the global pandemic, the mortgages of small landlords, and the fiscal health of the Commonwealth as a whole, we urge DHCD to adopt the following recommendations immediately:

¹ HomeBASE is a short-term housing stabilization program serving approximately 3,600 very low-income families with children who have either already experienced homelessness or been on the brink of homelessness. HomeBASE allows the Commonwealth's most vulnerable families to rent a market rate unit from a private landlord. Under current DHCD policy, the program is capped at 12 months and \$10,000. Even with HomeBASE assistance, many of these indigent families spend more than 50% of their income to pay the full rent amount. Prior to the current COVID-19 economic and health crisis, a high percentage of HomeBASE participants struggled to pay the full market rent for their apartments when the 12 months of their HomeBASE assistance ended, and many families again became homeless.

The Residential Assistance for Families in Transition Program (RAFT) is a homelessness prevention program for families and individuals who have lost income or incurred an unavoidable expense to help them temporarily pay rent in either private or subsidized housing. RAFT currently is capped at \$4,000 each 12 months.

1. **DHCD should continue HomeBASE stipends and stabilization services which will end during the state of emergency for an additional 12 months in situations where families cannot afford market rent.**
- **DHCD can administer HomeBASE differently under existing policies and regulations.** Under the Department’s current interpretation of regulations, families that successfully complete the HomeBASE program exit the program after 12 months, regardless of whether or not they can afford the market rent. DHCD has the power to change this policy, even if only on an emergency basis.
 - 760 CMR 65.05(1)(q) requires “an annual” and interim recertification to remain eligible for the program.
 - 760 CMR 65.04(3)(a) states that HomeBASE household assistance shall not total more than what is allowed in the state budget per a 12-month period, but does not limit receipt of benefits to 12 months.
 - The regulation previously cited by the Department as a reason not to extend HomeBASE beyond 12 months – 760 CMR 65.03(3)(a) – *already* is not enforced by the Department.
 - Under 760 CMR 65.03(3)(a), families that have used HomeBASE must wait 12 months before using it again.
 - Because HomeBASE is limited to 12 months no matter the family’s financial situation, loss of HomeBASE often results in eviction for families that then find themselves not immediately eligible for shelter. Once the family has experienced homelessness and can reapply for shelter, the policy barring them from HomeBASE for 12 months has made many previously-housed, vulnerable families experience longer shelter stays, driving up the cost of shelter (far greater than the cost of HomeBASE) and reducing available shelter space.
 - DHCD prudently stopped applying the 12-month bar to receiving HomeBASE approximately two years ago, presumably because it was wasting financial resources and scarce shelter beds.
 - The HomeBASE line item 7004-0108 limits HomeBASE benefits only to “not less than 12 months” and \$10,000 per 12 months.
- **To the extent that there is a conflict with the regulations, DHCD has the power to waive the regulations.**
 - DHCD has waived parts of the regulations - both formally and informally - in the past, and therefore could do it again.
 - DHCD has informally waived the 12 month bar to receiving HomeBASE for at least the last two years.

- In 2013, DHCD issued a Housing Stabilization Notice (HSN 2013-03) that waived the 12 month bar to EA shelter access for families who leave EA for a HomeBASE apartment, provided they are not terminated from HomeBASE.
 - The state of emergency gives DHCD the obligation to enact policies that protect public health, and waivers to policies that put families at risk of homelessness are appropriate and necessary.
- **While there is an eviction moratorium and an economic crisis, DHCD has the power to protect not only vulnerable families, but also their private landlords.**
 - Many families that cannot afford market rate rent will face the end of their HomeBASE assistance during this state of emergency and during this eviction moratorium.
 - Some families will have accrued large amounts of debt before the eviction moratorium is over, harming many small landlords.
 - Some families will not want to hurt their landlords or accrue large debts, and will try to move in with family members, resulting in further public health risk.
 - Families that leave their apartments because they cannot pay the rent may be found to be ineligible for shelter under the strict shelter rules, and their children will unnecessarily experience unsheltered homelessness.
 - Knowing the program could potentially extend financial help to a vulnerable family for longer than 12 months also will act as an incentive for new landlords to participate in the program, which could reduce the number of families in shelter.

2. DHCD should advocate to raise the maximum amount of RAFT funding to at least \$10,000.

- **The eviction moratorium will make it impossible for currently housed families to be within 48 hours of a date of homelessness to qualify for a HomeBASE diversion.**
 - Under current policy, families whose circumstances would qualify them for HomeBASE must be able to show they are 48 hours from a “date of homelessness” before they can be found eligible. This requires either a move-out date on an agreement for judgment or a 48-hour notice from a constable, both of which are prohibited under the eviction moratorium.
 - By advocating for this funding to stabilize tenancies during the moratorium, DHCD can provide relief to landlords and also significantly improve families’ ability to access permanent affordable housing over the long term.
 - Without financial relief for low-income families in private housing, some families will subject themselves to homelessness rather than accrue large

arrears. When the moratorium is over, landlords will file cases against the families that have accrued arrears, creating unwieldy housing court caseloads and leaving families with evictions on their records making them less desirable tenants to landlords going forward, placing yet another barrier in their way to safe, permanent, affordable housing.

- **RAFT could be used to help these very low-income families who have lost income through no fault of their own.**
 - Families that had a no fault loss of income and do not live in subsidized housing cannot have their rent adjusted.
 - These families all have landlords on the private market.
 - RAFT could assist these families, the Commonwealth's most vulnerable, that are not able to access HomeBASE. These families include those with incomes of less than 115% of the poverty level and children under age 21 in the household.
 - RAFT could be used to help low-income families in subsidized housing that are experiencing an increase in pandemic-related costs, but are not able to adjust their rental amounts to compensate for these costs.

3. DHCD should create funding to be used by current HomeBASE families that have COVID-19 related costs or losses of income, so that they can sustain their current housing.

- **DHCD's April 8, 2020, guidance made it clear that DHCD would not make RAFT available to families currently participating in HomeBASE.**
 - If, due to statutory limitations, RAFT cannot be used to help families who cannot afford their HomeBASE portion due to pandemic-related expenses or loss of income, DHCD must find another way to offer financial assistance to these families.
 - These are the most financially vulnerable families in the Commonwealth, and their landlords are relying on DHCD to provide assistance to make sure their housing is sustainable.
 - Due to the crisis, families are reporting higher expenditures for electricity and heating costs, food, medical needs, disinfectants and masks, laundry, and costs related to schooling their children and keeping them safely inside.
 - Some HomeBASE families lost earned income because of the crisis. Some families – for instance those who relied on small amounts of babysitting income to make ends meet – may not qualify for unemployment insurance.

HomeBASE and RAFT provide a safety net, but that net is not without holes. At this time of public emergency it is less costly for the Commonwealth and DHCD to fill those gaps and keep low-income families with children safe in their homes than to try to remedy the situation later. Leaving indigent families only the choice to accrue large debt or leave their homes will waste resources the Commonwealth already spent to stabilize those families, while also exacerbating existing disparities. This is an opportunity to provide assurance not only to tenants but also to landlords, who have been heavily impacted by the global pandemic and resulting financial crisis. We ask that DHCD consider implementing these suggestions as soon as possible, and make the HomeBASE changes retroactive for families in vulnerable positions whose HomeBASE ended in March, April, and May.

Thank you for your consideration,