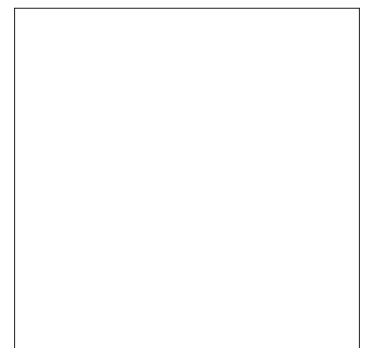


# Housing Stability COVID and Beyond

June 23, 2020



# Housing Stability: COVID-19 and Beyond

## #1 in the Greater Boston Housing Report Card Series

By Tom Hopper and Callie Clark, MHP's Center for Housing Data

About this series: With the rapid changes in the economy and the housing sector driven by COVID-19, the **Greater Boston Housing Report Card** partners have transformed this year's report into a series of webinars and accompanying issue briefs during the second half of 2020.



## Introduction

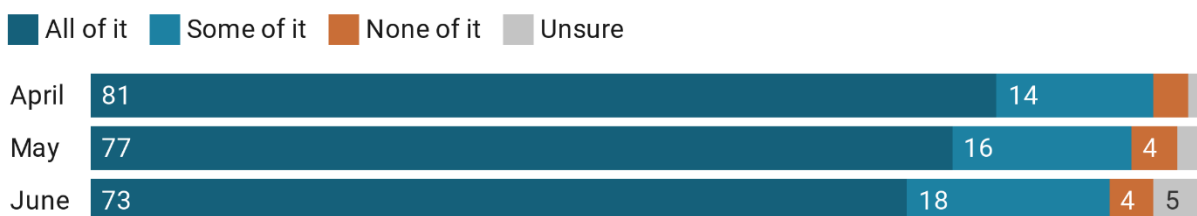
Since the first reported cases in the Commonwealth in early March, COVID-19 has caused major disruptions in all aspects of the housing sector. Hundreds of thousands of people who have experienced job or income losses are worrying about how to afford rent or mortgage payments in the months ahead. While an initial influx of support in the form of federal and state emergency measures has helped to maintain housing security for many, some of these expanded benefits will soon expire. The data indicate that if unemployment remains high or increases in the coming months, many households will not be able to continue to make housing payments without new and continued support. Failure to tackle this impending reality now could endanger housing stability across the state.

## How Have Households Fared So Far?

Despite widespread job losses and record high unemployment, overall rent and mortgage collections across the country and across Massachusetts have been relatively stable for the months of April, May and June. Nationally, by the end of the months of April and May, 95 percent of surveyed property owners received at least partial payments from their tenants, with June collections to date indicating a similar trend, according to an [ongoing survey](#) by the National Multifamily Housing Council (NMHC). In Massachusetts, we have indication from a recent MassInc poll that shows relatively strong rent payment collections, but with a slightly different trend. While the percentage of respondents who made at least a partial payment is fairly consistent with NMHC data, MassInc survey respondents indicated a declining trend in the ability to pay full rent, and an increasing rate of making just a partial rent payment, indicating that more households are starting to fall behind on rent. This could be attributed to relatively high housing costs in Massachusetts relative to the rest of the country, with stimulus funds and expanded unemployment benefits not going quite as far in our housing market.

**Figure 1 – Gradually, more Massachusetts residents are falling behind on housing payments.**

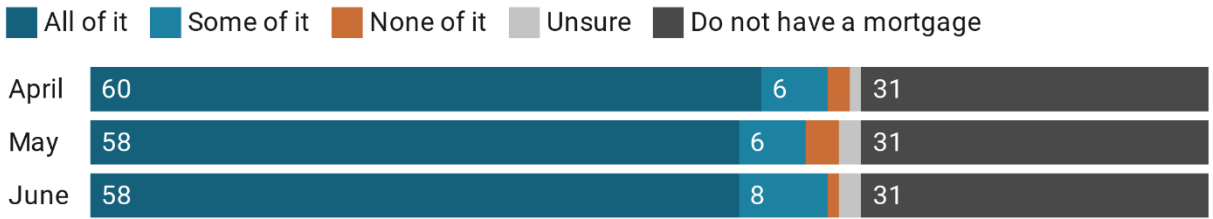
Survey question: For the listed month's rent, did you pay all of it, some of it, or none of it?



Data from Mass INC Polling of 1,531 MA residents. June data represents expectation to pay as poll was conducted prior to June.

Chart: MHP Center for Housing Data • Source: Mass INC • Created with Datawrapper

Survey question: For the listed month's mortgage, did you pay all of it, some of it, or none of it?



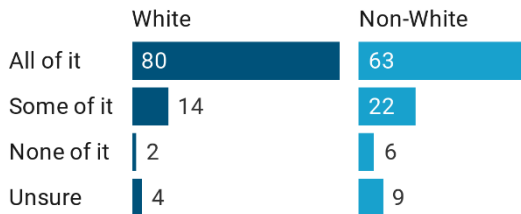
Data from Mass INC Polling of 1,531 MA residents. June data represents expectation to pay as poll was conducted prior to June.

Chart: MHP Center for Housing Data • Source: Mass INC • Created with Datawrapper

While overall rent and mortgage payment collections may be strong, some households are having more difficulty making housing payments than others. White survey respondents were more likely to have made full rent and mortgage payments in June compared to non-white respondents. Additionally, respondents under 30 years old were far less likely than other groups to have made full payments, particularly when compared to respondents over the age of 60.

**Figure 2 – Non-white residents are less confident they will make full June housing payments.**

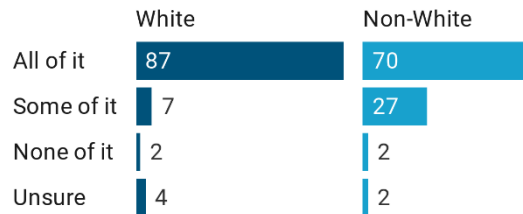
Ability to pay June rent by race



Data from Mass INC Polling of 1,531 MA residents

Chart: MHP Center for Housing Data • Source: Mass INC • Created with Datawrapper

Ability to pay June mortgage payment by race

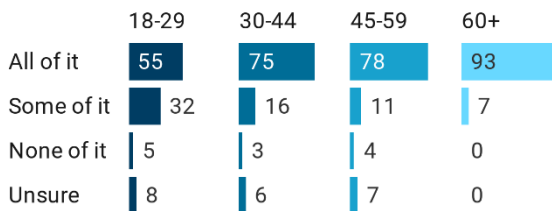


Data from Mass INC Polling of 1,531 MA residents

Chart: MHP Center for Housing Data • Source: Mass INC • Created with Datawrapper

**Figure 3 – Younger residents are more likely to be behind on housing payments.**

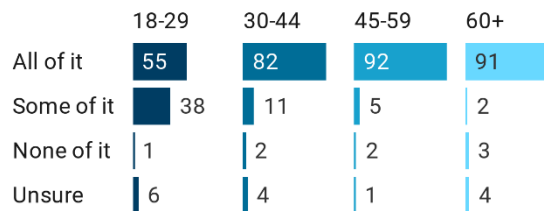
Ability to pay June rent by age



Data from Mass INC Polling of 1,531 MA residents

Chart: MHP Center for Housing Data • Source: Mass INC • Created with Datawrapper

Ability to pay June mortgage payment by age



Data from Mass INC Polling of 1,531 MA residents

Chart: MHP Center for Housing Data • Source: Mass INC • Created with Datawrapper

It is clear that even with the expanded supports, there are still households struggling to make housing payments. In a [May research brief](#), the Metropolitan Area Planning Council (MAPC) estimated that roughly 15,500

households need additional support right now in order to keep current on housing payments, totaling \$13.8 million a month. MAPC makes the important distinction that a failure to provide additional assistance to people of color and households that speak a language other than English at home will serve to deepen and exacerbate existing patterns of inequality.

## **What Measures Have Helped? What Are Their Limitations?**

Strong rent and mortgage payment collections thus far can largely be attributed to emergency response measures on the federal, state and municipal levels. In terms of the federal response, the CARES Act provided expanded unemployment assistance, one-time stimulus checks, and the Paycheck Protection Program (PPP) for small businesses to keep employees on their payroll, among other measures.

On the state level, existing rental assistance programs such as the [Rental Assistance for Families in Transition \(RAFT\)](#) and the [Massachusetts Rental Voucher Program \(MRVP\)](#) have been heavily utilized over the past few months. The [RAFT program](#) in particular has made important changes to provide assistance in response to the crisis—eligibility was greatly expanded, the program requirements were simplified, and MassHousing provided an emergency infusion of \$5 million to the program in late March.

In response to the immense need for immediate support, many municipalities have or are in the process of setting up temporary [emergency rental assistance](#) (ERA) programs to help fill the gap and assist those newly laid off due to the crisis to keep up with their rent. Most are funded through the use of local Community Preservation Act (CPA) funds, Affordable Housing Trust Funds, Community Development Block Grant (CDBG) and other local funds. The goal of these programs is to provide people with short-term support to help them stay in their homes.

Additionally, the Massachusetts [eviction and foreclosure moratorium](#) was signed into law on April 20, 2020, and took immediate effect. The moratorium is in effect until August 18, 2020, or 45 days after the Governor lifts the COVID-19 state of emergency that began on March 10, 2020. The Governor can also extend the moratorium in 90-day increments while the state of emergency remains in effect. The moratorium has been extremely effective in halting formal evictions and foreclosure petitions. Thousands of evictions that were in process when the moratorium began have been suspended, and new eviction filings have gone from several hundred a week in February and March to under ten per week since mid-April. Foreclosure petitions have gone from over 500 in January and March to zero in April and May. These measures are certainly providing temporary protections for households who have fallen behind on their payments.

**Figure 4 – Eviction filings & foreclosure petitions have effectively been halted by the moratorium.**

Bars represent number of new eviction filings each week. These data do not represent executed evictions, but rather landlords filing for eviction.

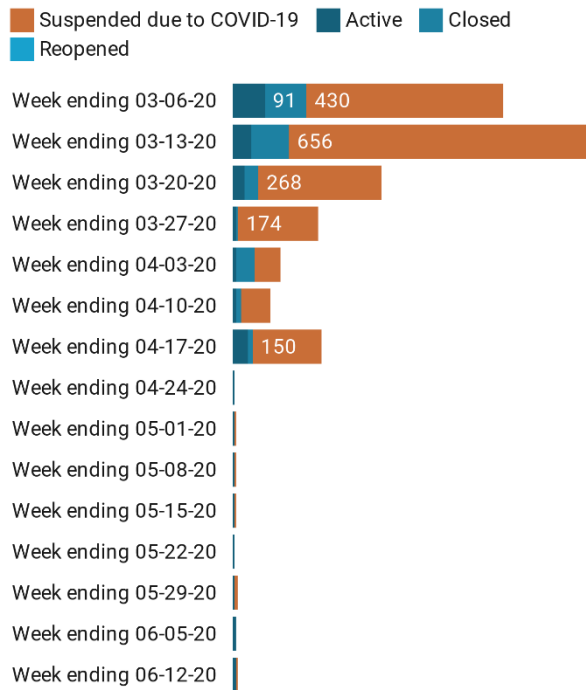


Chart: MHP • Source: Massachusetts Trial Court Electronic Case Access • Created with Datawrapper

Bars represent monthly foreclosure petitions. No new foreclosure petitions have been filed since the moratorium was enacted.

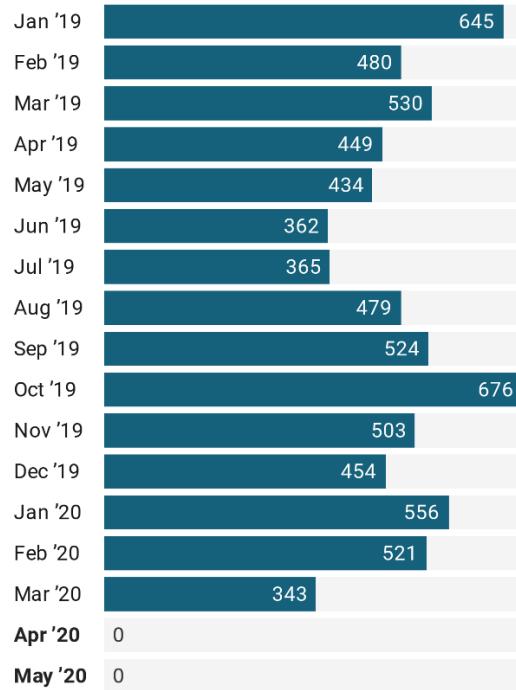


Chart: MHP Center for Housing Data • Source: The Warren Group • Created with Datawrapper

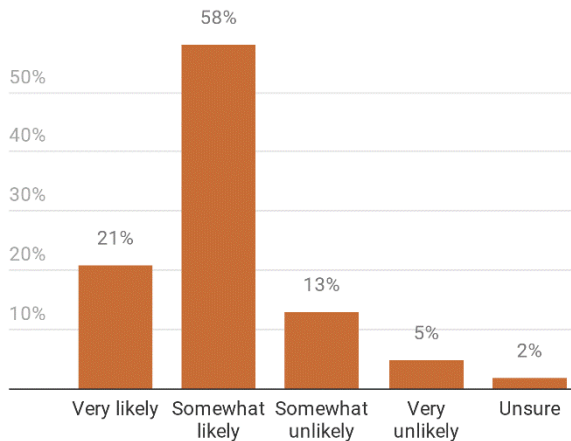
## What Happens Next?

Emergency response programs have been instrumental in ensuring housing stability in these first months of the crisis, but many are set to expire on July 31, including the expanded unemployment assistance that has been particularly vital. While these measures will expire, economic hardship will continue as we are likely facing a lengthy recovery.

Meanwhile, the eviction and foreclosure moratorium is set to expire in mid-August unless extended by Governor Baker. At that point, any homeowners who have not received manageable forbearance agreements, and any renters who have not come to a repayment agreement for arrearages with their landlords may be facing foreclosure or eviction. Even for tenants who have worked out an agreement, the ability to repay forgone payments in the near term seems grim. Among renters who are already behind on rent, survey results indicate that only 21 percent believe it is “very likely” they will catch up on rent before the eviction moratorium ends in August. Among renters who are current on payments, 22 percent of those surveyed do not expect to be able to pay more than four months of rent, and only 55 percent of survey respondents anticipate being able to pay more than six months of rent.

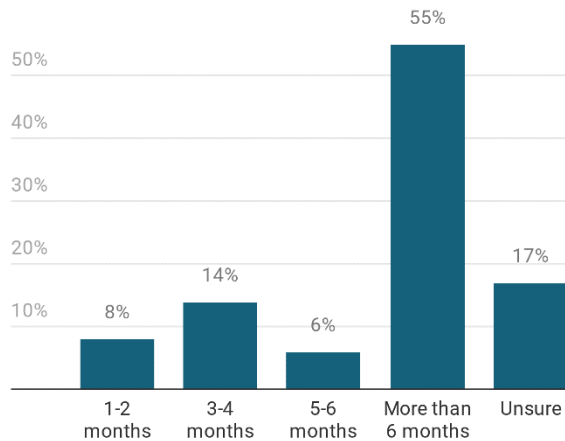
**Figure 5 – Many households now behind on rent will not be able to catch up before the eviction moratorium lapses in August; many who are paid up may not be able to hold on for much longer.**

Survey question: If behind on rent, how likely is it you will be able to catch up on rent by the time the eviction moratorium ends in August?



Data from Mass INC Polling of 1,531 MA residents  
 Chart: MHP Center for Housing Data • Source: Mass INC • Created with Datawrapper

Survey question: If current on rent, how much longer do you anticipate being able to pay your rent if the current situation continues?



Data from Mass INC Polling of 1,531 MA residents  
 Chart: MHP Center for Housing Data • Source: Mass INC • Created with Datawrapper

What is the potential scale of this crisis? MAPC estimates that if currently unemployed workers are still unable to work in August after the expanded CARES Act unemployment benefits end, 178,000 households will struggle to pay housing costs. They estimate a statewide assistance gap of \$195 million a month. To put that gap in the context of the Commonwealth’s annual budget, annualizing that \$195 million a month would amount to \$2.34 billion, or 4.68 percent of the FY20 annual budget. In 2020 Massachusetts had budgeted \$50 billion as follows:

- ! \$21 billion - health
- ! \$9.2 billion- education;
- ! \$5 billion - human services
- ! \$3.2 billion - law and public safety,
- ! \$2.6 billion - infrastructure, housing and economic development
- ! \$1.2 billion - local aid
- ! \$264 million - environment and recreation
- ! \$6.6 billion - other

(Source: [MassBudget](#).).

**What Further Federal and State Support Is Needed?**

While no large new federal stimulus has passed, legislators and advocates are pushing for measures that would help bolster housing stability for those who need it. [The National Low Income Housing Coalition \(NLIHC\)](#) has identified the [following funding priorities](#):

- ! At least \$11.5 billion in Emergency Solutions Grants (ESG)—as included in the [HEROES Act](#) introduced by House Democratic leaders on May 12—to respond to and prevent outbreaks among people experiencing homelessness
- ! A national, uniform 12-month moratorium on evictions and foreclosures to protect all renters and homeowners

- ! At least \$100 billion in emergency rental assistance and eviction prevention to help prevent a financial cliff for renters when state eviction moratoria are lifted and rental arrears are owed
- ! \$13 billion in additional funding for public housing agencies, HUD, USDA housing providers, and tribal housing authorities

In addition, the [New England Housing Network](#) (representing a broad coalition of affordable housing organizations from each of the New England states) identified the following [federal funding priorities](#):

- ! \$48 billion emergency appropriation for HOME funds to help stabilize low-income families, cover increased operating costs associated with addressing COVID-19 related expenses, and stimulate the preservation and production of affordable homes
- ! \$100 billion for Housing Choice Vouchers for ongoing recovery from the crisis to help families keep more of their income for food, medicine, education and transportation.
- ! \$45 billion for the National Housing Trust Fund to build more affordable housing and help operate existing affordable rental housing
- ! Inclusion of a LIHTC Rescue Package
- ! \$1.825 billion in funding for the USDA Rural Development and Preservation Programs

[Citizen' Housing and Planning Association](#) (CHAPA) has requested urgent budget appropriation for the [following programs](#) in Massachusetts:

- ! Expand Residential Assistance for Families in Transition (RAFT) to \$50 million and enact program change to allow more people to qualify for the program
- ! \$1.5 million for Housing Consumer Education Centers (HCECs) to deliver housing and homelessness prevention resources
- ! \$15 million emergency appropriation for public housing authority operation subsidy to help make up for loss of revenue and additional costs related to COVID-19
- ! \$10.8 million to support organizations that provide low-threshold permanent supportive housing for vulnerable populations experiencing homelessness through the Home and Healthy for Good program
- ! \$20 million emergency appropriation for homeless individuals assistance and related programs

The combination of these measures would go a long way toward ensuring housing stability for Massachusetts residents. Based on the scale of anticipated need at the end of the summer, the proposed state and local measures alone would likely be insufficient to cover the gap. Due to the pandemic and ensuing economic fallout, Massachusetts is projecting considerable budget shortfalls in both FY20 and FY21, and this housing assistance gap is not the only financial gap we face on the state level.

## Conclusion

A housing cliff of potentially enormous magnitude looms ahead of us this summer, when several key protections and financial supports end. Failure to address this gap will jeopardize the housing security of thousands of households across the Commonwealth and across the country. These household level crises reverberate upward and could have a protracted impact on the health and stability of our regional economy. All indications are that the health and economic impacts of the crisis will continue to be widespread and that the brunt of those negative impacts will fall disproportionately on low-income black and brown households, intensifying existing patterns of racial inequality in our state and around the country. Bold leadership will be needed on the local, state and federal level, and soon, since the pieces required to solve this puzzle have not yet been put in place.