

# **SOMERVILLE HOUSING AUTHORITY**

## **RENT COLLECTION POLICY**

### **I. POLICY STATEMENT**

This policy is adopted by the Somerville Housing Authority (SHA) and applies to all residents in both state and federal housing. It addresses the manner in which residents must pay their monthly rent and the consequences of late payment or non-payment of rent due to SHA. This policy is consistent with the laws of the Commonwealth of Massachusetts, HUD regulations, DHCD regulations, and SHA's Dwelling Leases. The SHA is committed to enforcing this policy in an equitable and non-discriminatory manner.

The Rent Collection Policy is designed to achieve the following goals:

- Maintain the SHA's resident accounts receivable at no more than 5%.
- Clarify for both resident and staff, the SHA's posture with regard to rent collection.
- Establish guidelines extending Repayment Agreements in appropriate circumstances as defined by the SHA or for retroactive rent charges.
- Streamline and simplify the legal process used by SHA.

### **II. MONTHLY RENT**

In accordance with HUD regulations, residents of federal developments are charged 30% of their monthly adjusted income for rent. Adjusted income is calculated by deducting from gross income allowable expenses, such as childcare and medical, as well as deductions for dependents and elderly households. Eligibility for specific allowances depends upon the tenant's individual circumstances.

Residents of state elderly/handicapped developments who pay no utilities are charged 30% of net monthly income and residents of family developments who pay no utilities are charged 32% of net monthly income.

In state developments where utilities are paid by the resident, a resident's share of rent is based on 30% of income in family housing and 25% of income in elderly/handicapped housing. (*See Section IV below*).

In federal developments where utilities are paid by the resident, a utility allowance is deducted from the rent. In federal developments where residents provide a refrigerator an allowance is deducted from the rent. (*See Section IV below*).

### III. RENT PAYMENTS

Rent shall be paid by (1) mailing to SHA's Lock Box at Eastern Bank to: Somerville Housing Authority, Post Office Box 277, Medford, MA 02155; (2) tendering in person at any Eastern Bank branch; or (3) by contacting the SHA Housing Manager to set up automatic payment from the resident's bank account. Residents when paying rent at the bank will include a rent coupon (which is obtained from the resident's housing manager) with their payment. Agencies which are paying rent on behalf of a resident may mail or hand-deliver the rent to the SHA's Administrative Office, who will date-stamp a copy of the payment and, upon request, provide a receipt. Agencies may also pay rent on behalf of a tenant via electronic deposit.

Rent is due and payable on the first of each month. However, where a resident receives a monthly benefit on third day of the month (e.g. SSDI) or such other day within the first seven days of the month, then upon the resident's request, the due date shall be the first business day following the scheduled receipt of the benefit. Additionally, a resident may request, in writing, an alternative rent payment schedule (such as paying twice per month in accordance with receipt of income) which request shall not be unreasonably denied. In the event that the resident shall fail to pay all or any part of the rent within seven (7) days of its due date, the SHA may consider the unpaid rent delinquent and issue a Private Conference Notice. Except where Tenant (in state-aided public housing) has been habitually delinquent in paying rent and has had a prior opportunity for discussion within the prior six (6) months, the SHA shall provide the (state-aided public housing) Tenant with an opportunity to discuss the reason for the late payment. For all federal public housing tenants, the SHA shall offer the Tenant an opportunity to discuss the reason for the late payment of rent.

Inquiries about rents due and the collection process should be directed to the site management offices. These offices do not accept rent payments. Office hours and contact information will be posted on the SHA website and to site management offices. Where a manager is on vacation or other leave, the manager shall so indicate the dates of absence and person(s) covering on his/her telephone and email and posting in a location accessible to residents of that development.

Rent payment in full is required by the SHA. SHA does, however, reserve the right to accept partial payments.

The SHA provides residents with a grace period to pay their rent. Residents who have failed to make full payment by 4:00 PM on the seventh calendar day of each month are considered delinquent unless there is a different agreed upon rent payment schedule. If the seventh calendar day of the month falls on a weekend or holiday, rent will not be considered delinquent until 4:00 PM the next business day. Residents who pay their full rent but fail to pay miscellaneous charges properly due may also be subject to legal action in accordance with their Lease Agreement.

In the event that resident in a state-aided unit who shall fail to pay all or any part of the rent within thirty (30) days of its due date, the SHA shall impose a fee in the amount of \$25.00 for failure to pay rent when due. The SHA may also charge state-aided resident interest in accordance with applicable law and with the terms of resident's lease. If state-aided resident shall have shown good cause for late payment to the SHA, the SHA in its discretion may waive the interest or fee for late payment. If the SHA and state-aided resident have entered a repayment agreement the SHA may waive the interest or fee for late payment of the rent that is the subject of the repayment agreement and SHA shall not charge additional interest or late fees for the months where the tenant has paid

his/her rent in compliance with the repayment agreement. In addition, the SHA will not charge any additional late fees where it receives a commitment from an agency to pay the balance of the rent then due.

#### **IV. UTILITIES AND MISCELLANEOUS CHARGES**

Utilities and quantities of such utilities to be supplied to each resident are included in the resident's monthly rent, with the exception of the Mystic View development. Residents of Mystic View Apartments and James Corbett Apartments are responsible for direct payment of electric lighting services and residents of Mystic River Apartments are responsible for payment of their electric for cooking and lighting service. For all federal developments a \$25.00 per year charge will be added to the Total Tenant Payment of residents for each air conditioner installed by the household.

Other miscellaneous charges may be assessed to residents for damages to the premises, equipment therein, development buildings, facilities, or common areas caused by residents, household members, or guests<sup>1</sup>. Normal wear and tear is expected. Where damage is caused by a perpetrator of domestic violence (and that person does not live in the unit or is removed from the unit), the resident will not be charged for such damage.

Residents shall be notified in writing of such other miscellaneous charges and the right and procedure to request a grievance hearing to contest said charges.

#### **V. RENT DISPUTES**

Residents of federal developments who wish to dispute the amount of rent or other charges billed may do so through the SHA's Grievance Procedure in effect at the time the grievance or appeal arises. Copies of the Grievance Procedure are posted in each management office and management staff can assist residents with informally settling the grievance and scheduling any subsequent hearing.

Pursuant to M.G.L. c.121B, §32 and the SHA lease for state-aided units, residents residing in state units are not provided an opportunity for a grievance hearing in the event of nonpayment of rent but they are provided the opportunity for a grievance hearing if they dispute the rent calculation

#### **VI. RESTRICTIONS ON EVICTIONS BASED ON HIGH INCOME**

The SHA shall not commence eviction proceedings or refuse to renew a lease based upon the income of the resident family unless:

1. (Federal developments) It has identified, for possible rental by the family, a unit of decent, safe, and sanitary housing of suitable size in Somerville available for this family for at least a 12 month period at a rent (and tenant-paid utilities) not exceeding thirty percent (30%) of income as defined by the SHA for the purpose of determining rents; provided further that this does not apply for the first six months that a family exceeds any applicable income limits; or

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<sup>1</sup> Where an apartment or building is scheduled for demolition or extensive rehabilitation, then Residents will not be assessed charges for such damage unless deliberately caused.

2. (State developments) 32% (for family developments) or 30% (for elderly/disabled developments) of the Resident's net household income equals or exceeds the fair market rent for Somerville under the Section 8 housing choice program and the Resident cannot show there to be a hardship that prevents relocation of the household to unsubsidized housing, thus allowing a 6-month exemption. If the Resident's net household income decreases such that the 32 or 30% no longer equals or exceeds the applicable fair market rent, then any notice of tenancy termination shall be withdrawn.

## **VII. REPAYMENT AGREEMENTS**

Where there are circumstances involving hardship and in cases of retroactive rent charges, SHA may enter into a "Repayment Agreement" extending the time allowed residents to make full payment of money that is owed. Repayment agreements are made at the discretion of the SHA and shall generally be in the form of a court ordered agreement for judgment. The SHA is under no obligation to approve and execute repayment agreements and does so only as an accommodation to residents or where otherwise required to do so by law (as in the case of a reasonable accommodation to a resident with a disability). Once a judgment is entered, residents failing to make the required court ordered payments may be subject to further action including eviction by SHA upon a court's allowance of a motion for issuance of execution after hearing.

Other unforeseen circumstances and income disruptions which typically pose financial hardships (e.g., loss of job, permanent discontinuation or reduction in benefits) entitle residents to request an interim reexamination. For federally-aided public housing, a rent reduction is effective the first of the month in which an income decrease was reported (where reported no later than the 15th of the month) and effective the first of the following month after the income decrease was reported (where reported after the 15th of the month), subject to the SHA obtaining verification of the change. For state-aided public housing, a rent reduction is effective on the first of the month following verification of the change but SHA will reduce the rent effective on the first day of the month following report of the change where the delay in verifications was not due to the fault of the tenant. Failure to report a decrease in income is generally not considered a hardship unless a medical reason or other extenuating circumstances existed which prevented the resident from reporting or verifying the decrease in income.

Residents who need assistance with financial problems may contact their Housing Manager for information and referral to community agencies. See Appendix A for possible sources of funding and services.

Where a Resident has complied with a repayment agreement and has not had a subsequent repayment agreement for two (2) years, the SHA shall indicate that the resident has timely paid rent on any request for a landlord reference.

## **VIII. SUMMARY PROCESS ACTION**

Non-payment of rent is considered a serious violation of the Lease Agreement between the resident and the SHA. In all cases, SHA will aggressively pursue collection of the amount of rent due and eviction, if necessary. Action is taken against residents for only the amount of rent due. Collection for any physical damages to the unit and other charges (excluding court costs as stated below) are regarded as a separate matter. The following is a description of the steps taken and notices issued:

- In the event that Tenant shall fail to pay all or any part of the rent within seven

(7) days of its due date, the SHA may consider the unpaid rent delinquent and

issue a Notice to Quit. Prior to issuing such a notice, except where a state-aided public housing Tenant has been habitually delinquent in paying rent and has had a prior opportunity for discussion within the prior six (6) months, the SHA shall provide the Tenant with an opportunity to discuss the reason for the late payment at a Pre-Termination Conference and (for federally-aided public housing) a Grievance Hearing

- A Pre-Termination Conference Notice is prepared by the Housing Manager within seven (7) days of the rent being delinquent. The notice shall cite the lease violation. The notice schedules the time, date, and location of the conference. The notice is mailed to the resident.
- At the Pre-Termination Conference, the Housing Manager and the resident shall discuss the rent due. If a state-aided resident fails to pay the rent due at or before the Private Conference a fourteen (14) day Notice to Quit will be prepared by the Housing Manager within five days of the Pre-Termination Conference. In a federally-aided resident fails to pay the rent due at or before the Private Conference, then a summary of the private Conference (with notice of grievance rights) will be prepared and sent to the resident. The fourteen (14) day Notice to Quit may be served on the federally aided resident only after the SHA receives a favorable decision after a grievance hearing or the time for the resident to request a grievance hearing has expired without such a request being made.
- The fourteen (14) day Notice to Quit shall cite the lease violation and is served by a constable to each delinquent resident. If the notice is left at the last and usual place of abode it must also be mailed to the resident.
- The Notice indicates that rent due must be paid in full by a date certain in order for legal action to be discontinued. If a resident offers full payment by this date, the payment will be accepted and no further action taken. If the rent is not paid in full, the SHA may proceed with legal action and if it recovers a judgment for possession, it will assess a fee covering court expenses for serving a summary process summons and complaint and a filing fee. These court fees will be added to the total amount due from the resident.
- Once the Notice to Quit has expired, a summary process action is filed with the court to commence legal action. A summons is served upon the resident by a constable that requires the resident to make an appearance in court. Unless an agreement is reached between the SHA and tenant and filed with the court, the case is then heard by the Court, who will render a decision.
- If the Court rules in favor of the SHA, a judgment is awarded demanding payment by and/or eviction of the resident by a specific date.
- Forcible eviction will occur if the resident does not vacate the leased premises or pay the SHA as the parties may agree.

**IX. DISCONTINUING EVICTION ACTION**

The SHA is under no obligation to discontinue eviction proceedings once legal action has been initiated. However, it is not in the interest of either party for SHA to proceed with an eviction against a resident who is generally a prompt rent payer and has a positive rent-paying history.

**X. RESIDENT EVICTION EXPENSES**

Once a legal action has been filed in Court against a resident and the court rules in favor of the SHA, the resident may be subject to payment of constable summary process serving fees, court filing costs and moving costs associated with the eviction.

**XI. VACATED RESIDENT DEBT**

SHA reserves the right to pursue collection of all amounts properly due from residents evicted or voluntarily vacating SHA premises. The SHA will utilize all available means of collection, including referrals to credit bureaus, collection agencies and other court actions.

**XII. UNCOLLECTABLE RESIDENT DEBT / DEBT WRITE-OFFS**

On an annual basis, the Executive Director, in consultation with the Director of Finance and Legal Counsel will determine which tenant accounts receivable are uncollectable and will expense them off the financial books, subject to the approval of the SHA Board of Commissioners.

**XIII. ENFORCEMENT OF THIS POLICY**

This Policy is enforced by the staff and Legal Counsel, through the administrative grievance procedure (federal developments only) and the Somerville District Court.

*Adopted by the SHA Board of Commissioners on April 5, 2017*

## **APPENDIX A: COMMUNITY SUPPORT AGENCIES**

### **HELP WITH RENTAL AND UTILITY ARREARS**

#### **Somerville Homeless Coalition**

**Phone:** (617-623-6111) || **Address:** 1 Davis Square, Somerville

**Description:** Administers homeless prevention and re-housing funds predominantly for Somerville residents. Can potentially assist with rental arrears, utility arrears, lease-up costs (first month's rent, last month's rent, security deposit, moving costs) and (if homeless) limited re-housing financial assistance.

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#### **Catholic Charities**

**Phone:** (617-625-1920) || **Address:** 270 Washington St., Somerville.

**Description:** Administers funds for rental and utility arrears.

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#### **Metropolitan Boston Housing Partnership**

**Phone:** (617-425-6700) || **Address:** 125 Lincoln Street, 5th Floor, Boston.

**Description:** Administers the Residential Assistance for Families in Transition (RAFT) funds of up to \$4000 for low income families with at least one child under age 21 years and who are either homeless (and moving into housing) or at risk of homeless (and have court summary process complaint). Generally must have income below 50% Area Median Income. In limited circumstances, households without children may be eligible for funds

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#### **Jewish Family and Children's Services**

**Phone:** (781-647-5327 ext.1388) || **Address:** 1430 Main Street, Waltham

**Description:** Administers fund for rental arrears

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## **LEGAL ASSISTANCE AND ADVOCACY**

#### **Community Action Agency of Somerville (CAAS) Homelessness Prevention Program**

**Phone:** (617-623-7370) || **Address:** 66-70 Union Square, Suite 202, Somerville

**Description:** Helps Somerville tenants by providing education about legal rights, navigating eviction process, and mediating and negotiating with landlords. Also aids low income Somerville residents with access to and issues relating to public benefits and with utility shut offs and other utility-related issues.

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#### **Cambridge and Somerville Legal Services**

**Phone:** (617-603-2700) || **Address:** 60 Gore Street, Suite 203, Cambridge

**Description:** Provides legal advice and representation of tenants facing evictions who have received a notice to quit or a court complaint or have requested a grievance hearing. Also provides legal advice and representation on denial or termination of public benefits such as TAFDC, EAEDC, SSI, SSDI, MassHealth, and SNAP

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#### **Harvard Legal Aid Bureau**

**Phone:** (617- 495-4408 || **Address:** 23 Everett Street, First Floor, Cambridge

**Description:** Provides legal representation of tenants facing eviction who have received a notice to quit or court complaint. Open during school year (from September to April).