

CITY OF SOMERVILLE, MASSACHUSETTS
SOMERVILLE AFFORDABLE HOUSING TRUST FUND
JOSEPH A. CURTATONE
MAYOR

Mary Cassesso, Managing Trustee

Trustees
Lisa Davidson
Michael Feloney
Donna Haynes
Daniel LeBlanc
Beth Munroe-Howe
Mark Niedergang
Eleanor Rances
Andrea Shapiro

Program Application for CPA/Trust Funds

Background and Summary of Trust and CPA funds

Trust

The Trust funds can serve individuals and households up to 110% Area Median Income ("AMI")

Program Activities Percentage of Available Funds

As set out in the Strategic Vision July 2014

Program Activities	Percentage of Available Funds
Development Project Loans, including short and long term project loans for rental and/or homeownership development, as opportunities arise	65%
Direct Grants	10%
Tenancy Stabilization Program	10%
Closing Cost Assistance	7.5%
New Initiatives (e.g., anti-displacement/rent-to-own initiatives, or other)	5%
Reserve "Rainy Day Funds"	2.5%

Breakdown of Area Median Income to be served:

20% - 0-50% AMI

20% - 51-80% AMI

10% - 81-110% AMI

The other 50% of the Trust funds are discretionary and can be allocated over these three target income categories.

CPA

CPA funds can serve individuals and households up to 100% AMI

-*Acquire* - obtain property interest by gift, purchase, devise, grant, rental, rental purchase, lease or otherwise. Eminent domain takings only as provided by G.L. c.44B.

-*Creation*- to bring into being, cause to exist.

- *Preservation*- protect personal or real property from injury, harm or destruction.

- *Support*- provide grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance directly to individuals and families eligible for community housing or to an entity that owns, operates or manages such housing for the purpose of making housing affordable.

-*Rehabilitation and Restoration*- if acquired or created with CPA funds. Capital improvements to comply with federal, state or local building or access codes or federal standards for rehabilitation of historic purposes.

Criteria and Priorities

In addition to meeting the proper AMI level and project use, most especially with respect to CPA funds, the following priorities apply:

- preserve or increase the supply of affordable housing in Somerville
- help low -to -moderate households gain access to or retain housing
- innovative approach (creative program design/approach)

The following criteria apply:

- measurable impact
- applicants have a demonstrated capacity to carry out the program for which they seek funding
- ability to continue a program beyond the funding period
- applications from a non-profit preferable. If two non-profits propose similar programs, Trustees will analyze the need within the community (is the need great enough to support the work of two agencies) and preference will be given to agencies based in Somerville.

Application Form to Follow on Next Page

1. Agency Name and Address:

**Somerville Homeless Coalition, Inc.
PO Box 440436
Somerville, MA 02144**

2. Non-profit designation (if applicable):

501 (c) (3)

3. Contact name, phone number and email address for program manager:

**Michael Libby, Deputy Director
(617) 623-6111 x 232
mlibby@shcinc.org**

4. Name of proposed Program:

Leasing Differential Program (to preserve affordable housing for disabled and formerly homeless families and individuals living in Somerville)

5. Amount of request and source of request (Trust or CPA):

\$35,820 (CPA or AHTF)

6. If CPA, note which use category the proposed program fits (see pgs. 1-2):

If CPA funded: "Support-provide . . . rental assistance . . . for the purpose of making housing affordable."

7. Describe proposed activity (please attach additional pages as needed):

Nearly fifteen years ago, SHC began operating its first HUD McKinney Permanent Supportive Housing (PSH) program targeting homeless and disabled Somerville residents. What began with six apartments has now grown into SHC providing housing and/or supportive services to nearly 200 formerly homeless people living in over 90 affordable housing units. Seventeen (17) of these units, which are scattered site apartments located throughout Somerville, are directly leased by SHC and subsequently sublet to eligible program participants (homeless and disabled Somerville residents) as part of the Better Homes Program.

HUD provides 75% of the funding for the operations and home-based case management supportive services component of the Better Homes program. Up until the last couple of years, funding for the leasing (rent and utilities) costs of these

apartments was fully covered by HUD funding. However, the dramatic decline in the local housing vacancy rate and resulting skyrocketing Somerville rents has created a challenging fiscal situation for SHC. While the cost of renting apartments in Somerville has ballooned, HUD's leasing funds for the Better Homes program units have remained stagnant and tied to the Fair Market Rent (FMR). Over the course of these recent years, rents for our current apartment portfolio have risen each time SHC has had to renew a lease; sometimes the rents have increased \$25.00 per month while others have increased well over \$100.00 per month. Over the course of the next year, SHC is projected to have to spend a minimum of \$35,820 of its own private funding in order to retain these apartments for our vulnerable population. Each month SHC spends a total of \$25,824 in rental costs for these 17 apartments in Somerville. Unfortunately, of this total monthly amount, only \$22,299 is covered by HUD leasing dollars (equivalent to the FMR for 17 apartments). The difference of the \$2,985 monthly deficit has to be made up by NEW funding that SHC has to locate above and beyond its regular fundraising dollar amounts--\$35,820 annualized.

8. Timeframe for performance:

July 1, 2015-June 30, 2016 (depending upon funding availability)

9. If it is a new program, estimated time to set up program:

This program is currently operating.

10. Describe the need within the community for the type of program proposed and note any other agencies that may be addressing it (to the extent applicant is aware) and how this program is different:

In January of 2014, the Somerville Homeless Continuum-of-Care collaborative, a consolidated network of homeless provider agencies, mainstream organizations and government officials, organized and conducted its annual homeless census count. Calculations determined that on any given night there are a total of 164 people homeless in Somerville—essentially the same number as in 2013. This is a compilation of census data from street outreach programs, emergency shelters, transitional programs, and hospital emergency rooms.

The answer to homelessness is permanent housing. The majority of SHC's work involves providing housing and services to the most at-risk individuals and families facing substantial barriers to tenancy including very-low incomes, unstable credit histories, unsupportive landlord references, legal issues, difficulties living independently due to disabling conditions, and a lack of safe and affordable housing in the metropolitan Boston region. The Better Homes Program is one of these services.

Currently, there is no other homeless service agency based in Somerville that is operating a program similar to SHC's Better Homes program.

11. Provide the income level of targeted beneficiary/beneficiaries:

The vast majority of participants that benefit from this program have incomes below 30% AMI. These participants receive disability benefits from the state or federal government and are fixed incomes. Other participants that may be working have incomes below 50% of AMI.

12. Description of who the program will benefit (veteran population, homeless, etc. and please note the extent to which beneficiaries are Somerville residents):

This program will directly benefit formerly homeless, many of whom were chronically homeless, families and individuals that have household members with disabilities, including mental health, developmental, substance dependence, trauma and other physical medical conditions. All beneficiaries are Somerville residents and many grew up in the City.

13. Estimated number of individuals or households served:

Seventeen (17) formerly homeless and disabled Somerville households, consisting of 22 people (3 families and 14 unaccompanied adults)

14. Describe how program outcomes will be measured and tracked:

The goal of this and our other permanent housing programs is to offer safe and affordable permanent housing opportunities to local homeless families and individuals. A secondary goal is to provide the supportive services necessary to keep our participants housed and stable. While we work with each family and individual to help them achieve as much self-sufficiency as possible, the reality is that all of our participants have severe and debilitating disabilities that require comprehensive support from our home-based outreach workers.

We measure progress by maintaining a full program and supporting the participants so they remain stable and housed. We have been successful in decreasing the homeless recidivism rate; seven of our households have remained housed for at least seven years. Our case managers utilize the state's Homeless Management Information System (HMIS), which is part of the Social Solutions "Efforts to Outcomes" (ETO) software system, to track progress and outcomes. HUD also requires a yearly APR (Annual Progress Report) that uses the data from HMIS and requires an accounting for the goals of the program.

15. Please attach a complete program Budget and include the status of all funding source (note any funds pending or already received) and all sources and uses by amount.

Please see attached.

16. Describe whether the proposed activity will be carried out with or without future funding from the Trust:

SHC is committed to the ongoing operations of the Better Homes Permanent Supportive Housing Program in Somerville. However, as leases continue to expire and SHC experiences continued rental increases, it will become increasingly very difficult for SHC to keep up with the pace and demands of identifying and sustaining new private funding in order to supplement the program to fill the gap in lease funding shortfalls. Furthermore, this does not speak to the simultaneously similar compounding problem we have in the other communities that we operate the Better Homes program—Arlington, in particular. The reality is that we have already had to uproot and relocate three (3) households from Somerville and place them in other cities such as Everett and Chelsea because we could not sustain those three Somerville apartments and could not locate reasonable alternatives within City limits. However, going forward we have been instructed by HUD that our Continuum of Care (CoC) (ie Somerville Homeless Coalition) can no longer lease up apartments outside of Somerville city limits. This funding will ensure that very-low income residents, many of whom are on fixed incomes; the disabled; the formerly homeless; and many traumatized men, women and children will be able to stay close to their supports, services and schools. At the bare minimum, it will ensure that our clients do not become homeless again.

17. Experience and capacity of the agency and staff – please describe staff available to work on the project (and note if staff need to be hired) and describe any similar successful programs and how they relate to other programmatic activities:

The key staff involved in achieving the goals and outcomes set out in this proposal are our Director of Programs, Lisa Davidson and Deputy Director, Michael Libby.

Lisa has been the Director of Programs for SHC for twelve years and with the agency for over 15 years. SHC, under Lisa's direction, now directly leases nearly 40 affordable apartments scattered throughout the community—overall, she is accountable for overseeing the provision of housing and other related services to hundreds of households. Lisa's training includes a Certificate in Mediation, Certified Professional of Occupancy (CPO), Public Housing Manager (PHM), and a Certificate within the Program for Alcoholism and Chemical Dependency Treatment at UMass-Boston. This training background and her depth of experience within the area of housing enables her to provide tangible housing resources and effective services that generate consistently strong outcomes.

Michael Libby, a licensed social worker (LCSW) in the Commonwealth for 10 years, is approaching 15 years of service with the Somerville Homeless Coalition. During his tenure he has been directly involved in every program, including case management, housing services, food pantries, development and director of our adult and family shelters. As part of his responsibilities as Deputy Director of SHC, Michael is responsible for overseeing the implementation of the Better Homes Program and all other SHC programs, including housing services, case management, emergency shelters and food programs. Mike provides clinical support to the staff of the Housing Services Department (e.g. Better Homes case managers) and he is also responsible for providing quality management within all of the programs. As part of the quality improvement process, Mike is closely involved in collecting, tracking, and reporting outcome data for

internal and external purposes; this skill will lend itself to determining accurate final contribution data in regards to outcomes. Mike also spends time in the community creating, managing, and enhancing collaborative networks within the wider service delivery systems, including mainstream resources.

18. Note if applicant has previously been funded by the Trust and if so, a concise summary of the number of residents served in the prior fiscal year and the impact of the program:

SHC has been funded by the Affordable Housing Trust in many different ways over the past 15 years. Currently, with assistance from the AHTF, SHC operates the Prevention-and-Stabilization-Services (PASS) Program and the Tenant Stabilization Program (TSP). However, this proposal to provide supplemental lease differential funding for SHC's Better Homes Permanent Supportive Housing Program would be a new endeavor.