

CITY OF SOMERVILLE, MASSACHUSETTS
SOMERVILLE AFFORDABLE HOUSING TRUST FUND
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January 22, 2019

CPA FUNDING OPPORTUNITY FOR HOUSING PROGRAMS

CPA Background

In November 2012, Somerville voters overwhelmingly approved a 1.5% Community Preservation Act (CPA) surcharge on net property taxes. The Somerville Community Preservation Committee subsequently voted to empower the Somerville Affordable Housing Trust Fund, which has 25 years of experience preserving, creating, and supporting affordable housing in Somerville, to serve as the housing arm of the Committee. Since Fiscal Year 2015 (July 1, 2014-June 30, 2015), the Trust has been administering CPA funds designated for community housing purposes.

Programs and CPA Eligibility

This funding opportunity is designated for programs that either create affordable housing units or provide rental assistance or other financial assistance to income eligible households for the purpose of making housing affordable. The period of performance for this funding will be July 1, 2019 to June 30, 2020.

CPA funds can serve individuals and households up to 100% AMI. Eligible uses are:

- *Acquisition* – to 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* – to protect personal or real property from injury, harm or destruction.
- *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.
- *Support* – to provide grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance on behalf of an income eligible household for the purpose of making housing affordable. Payments will be made directly to an entity that owns, operates or manages such housing and must be directly tied to a physical unit through a lease or other legal agreement. CPA funds cannot be used for utility payments, moving costs, or case management.

Criteria and Priorities

In addition to meeting the proper AMI level and project use, 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.

PROPOSERS' CHECKLIST

Please ensure that the first two documents on this checklist are included with your proposal, if applicable.

- ☒ Somerville Living Wage Form
- ☒ Campaign Contribution Ordinance and Disclosure Form (This form is applicable for grant agreements of \$50,000 and more. If the proposal is for less than \$50,000, this form is not required).

Required with Contract, Post-Award

(These documents will be required of respondents that receive funding awards. Do not submit them now).

- ☐ Certificate of Good Standing from the Secretary of the Commonwealth of Massachusetts
- ☐ Grant and Trust Disclosure Form. See blank form included in the RFP package, for reference only. Do not provide this form with proposal. It must be completed post-award with current information at the time the contract is being drafted.
- ☐ Certificate of Signature Authority. This certificate will be required of respondents that are awarded funds. Do not provide this now. It must be signed and dated the same day, or after, the contract is signed by the recipient agency.

Program Application for CPA Funds

Date of Application

March 5, 2019

1. Agency Name and Address:

Community Action Agency of Somerville, Inc.
66-70 Union Square, Somerville, MA 02143

2. Non-profit designation (if applicable):

501(c)(3), Massachusetts non-profit corporation

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

Mark Alston-Follansbee, markaf@caasomerville.org, 617.623.7370 x145

4. Name of proposed Program:

Homelessness Prevention Assistance Fund

5. Amount of request (CPA):

\$50,000

6. Note which eligible use category the proposed program fits (see pgs. 1-2):

Support

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

CAAS will use this grant to increase the financial assistance we can provide to a greater number of Somerville residents. The Homelessness Prevention Assistance Fund (the "Fund") is administered by our Homelessness Prevention Program (HPP), which helps families and individuals achieve safer, more stable living situations, alleviating some of the significant effects of life in poverty and fostering economic stability. HPP also helps families and individuals maximize access to benefits (such as SNAP, WIC, etc.) for which they are eligible.

HPP employs an innovative approach to eviction prevention in order to serve residents of Somerville, Massachusetts who are unstably housed, but not yet homeless. By partnering with the local district court and obtaining copies of the weekly "Summons and Complaint", or eviction notices, we are able to identify which families or individuals are in the process of being evicted from their homes. We then send notice to each affected residence letting them know of our case management and in-court advocacy services. We then determine, in collaboration with each client, the type of advocacy and services that are most needed and will be most effective. Among the housing needs we might address are: eviction prevention,

foreclosure prevention, barriers to entering subsidized housing programs, poor housing conditions, and fair housing issues (i.e. discrimination). Some cases can be solved with a simple phone call to resolve a misunderstanding with a landlord; others require assistance through the entire legal process, including appeals.

HPP also provides housing search services. The purpose of these services is to assist community members who are seeking better or more affordable housing, but are not yet in the eviction process. Advocates acquaint participants with the types of available subsidized and affordable housing and assist with filling out applications and related tasks. Finally, as noted above, we provide assistance with initial enrollment for, and appeals from denials of, a wide variety of federal and state benefits such as SNAP, WIC, TANF, Fuel Assistance, and similar supports. By ensuring that our clients are maximizing their use of these supports we help them to free up income that can then be used to stabilize or improve their housing situation.

The Fund represents a flexible pool of money that we can use to help clients meet a variety of emergencies. Most of these emergencies are related to housing, but not all. For example, in the recent past we have helped clients to pay for job training courses, repairs to cars in order to get to work, storage costs for furniture between apartment moves, and rent and utility arrearages. However, the vast bulk of requests we receive for assistance are for funds to cover the first and last month's rent and security deposits for both subsidized and market rent apartments. **To be clear, we have the ability to ensure that CPA funds are spent only in accordance with the restrictions described in the Funding Opportunity; please see the response to question 17 below for further details.**

The Fund will assist clients with grants and loans totaling up to the lesser of a) three times 35% of the client's monthly income or b) \$3,000. In most cases, we have found that clients require far less than this to provide them with needed stability.

8. Timeframe for performance:

These funds will be used within the calendar year beginning with the date of receipt of funds.

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

This is an ongoing program; it has been operating for many years.

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:

Stable housing is widely understood as underlying all self-sufficiency efforts. An individual or family without stable housing is usually unable to make good use of other programs and supports. Somerville is a city in crisis: we are desperately short on affordable housing, and evictions from both affordable and market rentals are rising. 12.4% percent of Somerville's residents live below the poverty level (\$25,750 for a family of four in 2019), or 10,160 individuals out of a total population of roughly 82,000. CAAS' CSBG funding may only be used to serve families that have incomes at or below 125% of the poverty level. Our best estimate of the number of individuals potentially eligible for our services with CSBG funding is therefore roughly 15,000.

However, the official poverty line bears no correlation to regional cost of living or what it means – in real terms – to be experiencing financial distress/poverty in Somerville. As the city continues to gentrify, working-class families are increasingly experiencing the same difficulties formerly associated with households in poverty. The Massachusetts Living Wage Calculator, published by MIT, estimates that a Somerville family of four needs an income of **\$72,316** (roughly equal to 85% of Area Mean Income) to cover its basic expenses. This means that roughly **half** of Somerville’s residents are likely to be in financial distress and vulnerable to displacement.

The rigidity of CSBG funding leaves many Somerville families ineligible for CAAS’ assistance. In addition, the amount of CSBG funding we receive limits our capacity to serve even those families who meet the CSBG income-eligibility guidelines. Each year we must turn away many deserving families because they make just a little too much. CPA funds will help to correct this deficiency by allowing us to assist more families with greater flexibility.

At present the only other sources for similar assistance of which we are aware are Just-A-Start and the Somerville Homeless Coalition. Indeed, CAAS routinely refers clients in need of financial assistance to these agencies, because our Fund is often insufficient to meet their needs. The need to refer our clients to other agencies for a service that we could provide results in needless delay and inefficiency; if the funds were available here we would be able to provide better and quicker service to clients in crisis.

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

This program primarily will assist individuals with incomes at or below 50% of Area Mean Income. However, in cases where adhering rigidly to that cutoff would result in significant hardship, we will accept applications from clients with incomes up to 80% of AMI, and will use our best judgment in order to determine whether such applications merit a favorable response. We will be especially mindful of the artificial and cruel results of applying a rigid “cliff effect” standard, results with which our clients are frequently only too aware.

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 benefit Somerville residents who meet the above income restriction. There are no other eligibility restrictions.

13. Estimated number of individuals or households to be served:

This is very difficult to estimate, since each individual’s or family’s case will be unique. However, if every client of the Fund received the maximum amount described in question 7 above (\$3,000), 16 households could be served with the requested CPA funds. Since it is likely that many clients will not need this level of assistance, this figure should be regarded as a minimum number.

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

As a federally designated anti-poverty agency, CAAS employs the strategic use of extensive "National Performance Indicators" (NPI) to track many outputs and outcomes relevant to HPP's objectives (e.g. clients avoiding eviction, obtaining safe and affordable housing, skills/competencies required for employment, food assistance, emergency utility payments, etc.). The NPI are a comprehensive suite of anti-poverty indicators promulgated by the National Association for State Community Services Programs. CAAS' effectiveness will thus be analyzed in the context of the multiple barriers low-income families often face and the many outcomes they can achieve, specifically within, but also beyond housing/homelessness prevention.

This grant's impact will be measured by tracking funds distributed, services rendered, referrals to other agencies, and the wide range of outcomes (tied to the NPI referenced above) resulting from the funds distribution, services and referrals. While increases in housing security will be the focus, the data we have and use provide a strong and broad platform to document the transformative effects of this grant.

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 the attached budget sheet.

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

The program will be carried out with or without any further funding from the Trust; it will simply be carried out at a much smaller scale, distributing only the other funds that have been committed already (see budget sheet).

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 Homelessness Prevention Program is led by Mark Alston-Follansbee, formerly Executive Director of the Somerville Homeless Coalition. Mark has been engaged in this work for over 30 years. Mark oversees a team comprised at present of two Housing Advocates and one Benefits Specialist. All staff are deeply familiar with the intricacies of subsidized housing, federal, state, and local benefits programs, and referrals to a wide range of health and social services. Housing advocates process applications for financial assistance from the Fund as a routine part of their work.

In order to strengthen our capacity to administer the Fund on a larger scale, we have added a step to our approval process. Applications for assistance, including initial eligibility determinations and collection of all required backup documentation, will be completed by the HPP Advocates. Applications will then be reviewed by Lincoln Taggart, Director of Development and Planning. Lincoln's primary responsibilities are program evaluation and ensuring compliance with the non-fiscal requirements associated with our Head Start and CSBG grants. He will review each application in order to ensure that the requested use of the funds is consistent with any restrictions associated with the available grant source. Assuming favorable review at this step, the completed applications will then be forwarded to our fiscal office for disbursement.

Since each of the (presently three, including CPA) grant sources making up the Fund have differing eligibility and use restrictions, we feel that this added step will ensure compliance while allowing advocates to focus more directly on client interaction.

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

CAAS was mostly recently a recipient of Trust funding for the period beginning in July of 2016 and ending in June of 2017. CAAS' Homelessness Prevention Program put these funds to work preventing homelessness through advocacy, case management for the unstably housed, though not yet homeless. HPP served 468 Somerville residents with incomes at or below 50% of AMI.

By the end of the grant period clients had achieved the following, selected outcomes:

284 participants secured greater housing stability while receiving case management
98 participants secured greater housing stability through CAAS' advocacy in court
84 participants secured greater housing stability through CAAS' advocacy with a landlord
94 participants began receiving increased benefits from other agencies and programs

CAAS was also awarded \$57,500 in CPA funds in 2018. The City's Housing Division has indicated that these funds will be disbursed in early March 2019.

19. Explain how the proposed activities/project addresses a need and/or strategy in City of Somerville's 5 Year Consolidated Plan (Can be viewed online at www.somervillema.gov).

According to the City's 5 Year Consolidated Plan, the City has categorized its priority needs into two major categories and assigned them both the highest level of priority. The At Risk Populations category attempts to take immediate and direct actions to meet the needs of the most vulnerable members of the community by investments in public services and housing initiatives to meet the urgent needs of Somerville's high risk residents.

The 5 Year Plan also lays out an Anti-Poverty Strategy, stating that the City will continue to provide activities to prevent individuals and families from becoming homeless and continue to reduce the amount of homeless individuals and families. The Anti-Poverty Strategy includes making funds available to nonprofit organizations; providing assistance to individuals and families at risk of homelessness and those who face a one-time extenuating circumstance of financial hardship; providing rental assistance and other housing-related costs to families at risk of homelessness through other rental assistance programs and activities.

This program will address both of these articulated needs and strategies by providing direct financial assistance to individuals and families in need in order to prevent their becoming homeless.

20. Explain how the proposed activities/project addresses a Goal or Action Step in the SomerVision Comprehensive Plan (Can be viewed online at www.somervillema.gov).

The SomerVision Comprehensive Plan includes the following Goal E. Housing IV. Create a diversity of programs that prevent homelessness and address the housing needs of the homeless and those at risk of

homelessness. B. Policy: The City should ensure that a cohesive network exists to prevent individuals and families from becoming homeless. 1. Action: Actively seek additional funds for programs to support families and individuals on the verge of becoming homeless.

This program utilizes CPA funds to provide direct financial assistance to individuals and families in need in order to prevent their becoming homeless.

21. Does your agency participate in a Continuum of Care?

While CAAS has sporadically participated in the Continuum of Care in the past, we have begun to attend the meetings and intend to be an active participant of the CoC going forward.

22. Is your agency monitored by HUD or another funder for housing programs

CAAS is not monitored by HUD. However, the Community Services Block Grant (CSBG), administered by the Massachusetts Department of Housing and Urban Development (DHCD), funds HPP in significant part. There is a rigorous monitoring scheme associated with this grant, though funds are not restricted to housing programs.

There are no currently open findings.

CAAS Homelessness Prevention Assistance Fund

Budget (Fiscal Year ending November 30, 2019)

Income	
Community Services Block Grant*	\$2,500
East Boston Savings Bank*	\$5,000
Affordable Housing Trust Fund	\$50,000
Total Income	\$57,500
Expense	
Administrative Overhead @12%	\$6,900
Direct Client Assistance	\$50,600
Total Expense	\$57,500

*received