

Program Application for CPA Funds

Date of Application: May 16, 2018

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 and retain the supply of affordable housing by directly supporting low income, disabled and formerly homeless families and individuals living in Somerville)

5. Amount of request (CPA):

\$62,532 (July 1, 2018-June 30, 2019)

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

“Support-provide . . . rental assistance . . . for the purpose of making housing affordable.”

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

Nearly eighteen years ago, SHC began operating its first HUD Continuum of Care (CoC) Permanent Supportive Housing (PSH) program targeting homeless and disabled residents. What began with six apartments has now grown into providing housing and home-based supportive services to nearly 150 formerly homeless people living in over 90 housing units. Thirteen (13) of these units, which are scattered site apartments located throughout the neighborhoods of Somerville, are directly leased by SHC and we sublet to homeless and disabled Somerville individuals and families as part of our Permanent Supportive Housing (PSH) program.

The U.S. Department of Housing and Urban Development (HUD) provides approximately 75% of the budget for the operations and home-based housing stabilization services component of the program. Up until seven years ago, funding for the leasing costs of these apartments was fully covered by HUD. However, over the past several years Somerville rents have skyrocketed. While the cost of renting market-rate apartments in Somerville has ballooned, HUD's leasing funds for our program units have remained relatively stagnant because HUD's 'rental assistance' is tied to a Fair Market Rent (FMR) which is not nearly reflective of the private housing rental market asking rents. Rents for our apartments rise each time SHC renews a lease; sometimes the rents have increased \$25.00 per month while others have increased well over \$100.00 per month.

The City of Somerville's own rental study conducted during the summer of 2016 revealed the following:

<u>Unit Size</u>	<u>Avg. Asking Rent</u>	<u>FY '18 FMR</u>	<u>Variance</u>
One Bedroom	\$1,911	\$1,421	+\$490
Two Bedroom	\$2,398	\$1,740	+\$658
Three Bedroom	\$3,134	\$2,182	+\$952
Four Bedroom	\$3,817	\$2,370	+\$1,447

Over the course of the next year, SHC is projected to have to raise \$62,532 of additional funding in order to retain 13 Somerville apartments. Each month SHC is scheduled to spend a total of \$22,246 in rent for these 13 apartments in Somerville. Of this total monthly amount, only about \$17,035 is covered by HUD leasing dollars. The \$5,211 monthly deficit has to be made up by new funding that SHC has to raise above and beyond its regular fundraising dollar amounts--\$62,532 annualized.

Without additional funding SHC will begin to lose these apartments in Somerville. We may not be able to lease up new apartments because we cannot afford them and because of lack of availability (ie low vacancy rate); we struggle to find landlords willing to rent to us and allow us to sublet the apartments to homeless clients; willing to enter into one year leases; meet HUD housing quality standards; and that are located within the mandated CoC geographic parameters of Somerville or Arlington. This scenario could result in our clients becoming homeless once again.

8. Timeframe for performance:

July 1, 2018-June 30, 2019

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 2018, the Somerville Homeless Continuum-of-Care, a consolidated network of homeless provider agencies, mainstream organizations and government officials, organized and conducted its annual homeless point-in-time count (PIT). Calculations determined that on any given night there are a total of 134 people homeless in Somerville. 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. SHC's work involves providing housing and services to homeless individuals and families facing substantial barriers to obtaining housing, which includes people that have fixed incomes, unstable credit histories, unsupportive landlord references, legal issues, difficulties living independently due to disabling conditions, and a lack of safe and affordable housing that they can afford. Our Permanent Supportive Housing program helps them overcome these barriers by providing housing and the support necessary to ensure successful tenancies.

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

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

The majority of clients that benefit from this program have incomes below 30% AMI. These clients receive disability benefits from the state or federal government and are on fixed incomes.

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 directly benefits homeless, many of whom were chronically homeless, families and individuals that have disabilities, including mental health, developmental, substance dependence, trauma and other physical medical conditions; and veterans. All beneficiaries are Somerville residents and some grew up in the City.

13. Estimated number of individuals or households served:

Thirteen (13) formerly homeless and disabled Somerville households; Nine (9) qualify as chronically homeless people

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

The goal of our housing program is to offer safe and affordable permanent housing to local homeless families and individuals. We provide supportive case management services to help keep our clients stable and housed. While we work with each family and individual to help them become as self-sufficient as possible, the reality is that all of them have chronic and debilitating disabilities that require comprehensive support on an ongoing basis.

We measure progress by maintaining a full program and supporting participants as a way to help them remain stable and housed. We have been successful in decreasing the homeless recidivism rate for the City of Somerville. The average length of time housed for this cohort of clients is over six years; three of the households have been housed over 10 years; nearly half have been housed five or more years; and, all of these clients have been housed for at least one year. We are also very successful in connecting our clients to health insurance; health providers; mental health services; cash and non-cash benefits, such as “food stamps”; education and job training resources; recovery oriented community support groups; and, any other host of services that can help keep people healthy and stable.

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 its Permanent Supportive Housing Program in Somerville. However, as leases expire and we experience 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 make up the shortfalls in lease funding. Furthermore, this does not speak to the compounding problem we have in the other communities that we operate our Permanent Supportive Housing 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) can no longer lease up apartments outside of Somerville or Arlington.

CPA funding will ensure that very-low income Somerville residents on fixed incomes; the disabled; the formerly homeless; the disenfranchised; and many traumatized men, women and children will be able to stay close to their support networks, community services and remain in their 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 fourteen years and with the agency for over 18 years. SHC, under Lisa's direction, now leases over 40 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 certified social worker (LCSW) in the Commonwealth for over a dozen years, has 18 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 SHC's Permanent Supportive Housing Program and all other SHC programs, including housing services, case management, emergency shelters and food programs. Mike provides clinical supervision to the staff of the Housing Services Department (ie supportive housing 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 18 years. Currently, with assistance from the AHTF, SHC operates the Prevention-and-Stabilization-Services (PASS) Program and the Tenant Stabilization Program (TSP) during FY 17. This proposal is requesting lease differential funding for SHC's Permanent Supportive Housing Program; this is the fourth consecutive year we have requested this assistance.

During FY 2017, the Tenant Stabilization Program (TSP) program benefited 53 people (25 households). The PASS Program (HOME Investment Partnership funding) benefited 6 households (20 people); and, the Leasing Differential Program benefited 13 households.

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).

The *Leasing Differential* project directly addresses the list of housing needs identified in the Consolidated Plan’s “Housing Needs Assessment” section. By helping to keep Somerville residents in their homes, this project is confronting the affordability mismatch that exists in our community. The Housing Assessment establishes that there are not enough units in the city that are affordable to very low income households; this project keeps housing affordable for Somerville residents that are formerly homeless and living with a spectrum of disabling conditions. If we begin to lose units for our clients it will be extremely difficult for SHC to locate suitable housing that has lower asking rents. As the study confirms, the few more affordable rental units that exist are in poor condition and not up to housing quality standards; therefore, SHC would not be able to rent them because the apartments would not pass a required inspection. Another barrier is landlord unwillingness to rent to the population we serve because of their perceived or real disabilities (e.g. substance abuse or mental/behavioral health) and the stigma associated with having been homeless. As a result, it is extremely difficult for SHC to locate willing landlords, even if we are the lessee. We provide intense case management and supportive services to ensure the stability of our tenants.

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

The *Leasing Differential* project advances several Housing Goals outlined in the SomerVision Comprehensive Plan. The project *Preserves* and keeps affordable a balanced mix of rental housing for households of all types and economic status; it *Mitigates* displacement of low income Somerville residents by allowing them to remain in their homes; and, the *Leasing Differential* project is a program that *Prevents* homelessness and addresses the housing needs of the homeless and those always at risk of homelessness.

BUDGET PROPOSAL

City of Somerville Community Preservation Act (CPA)

CPA: Leasing Differential Program (FY 2019)

BUDGET PERIOD: 7/1/18 - 6/30/19

Leasing Assistance

<u>Line Item</u>	<u>Leasing Budget</u>	<u>HUD Reimbursement</u>	<u>Request: CPA</u>	<u>Total Budget</u>
HUD Leasing Assistance	\$204,420	\$204,420		\$204,420
CPA LEASING DIFFERENTIAL ASSISTANCE	\$62,532		\$62,532	\$62,532
Total Leasing Cost Budget	\$ 266,952	\$204,420	\$ 62,532	\$ 266,952
	Total Leasing Budget		Request: CPA	Total Leasing Budget

SHC Program	Bedrooms	Owner Name	Owner Address	Unit Address (Somerville)	MONTHLY RENT (including scheduled increases)	FY 2018 FMRS HUD MONTHLY Reimbursement Adjusted for Utilities or Asking Rent, whichever is the least	DIFFERENCE between Eligible MONTHLY HUD Reimbursement Amount and Asking Rent	CPA MONTHLY Request: July 1, 2018-June 30, 2019
1	Better Homes	Marino Family Realty 2 LLC	23 Shore Road, Winchester MA 01890	2 Meacham Street #2	\$1,450.00	\$1,270.00	\$180.00	\$180.00
2	Better Homes II	5519-136&138 Highland Ave Somerville LLC	C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	138 Highland Ave. # 28	\$1,772.00	\$1,206.00	\$566.00	\$566.00
3	Better Homes	Central Street Apt	99 Albion Street, Somerville	111 Walnut Street #33	\$1,400.00	\$1,360.00	\$40.00	\$40.00
4	Better Homes	AK Paone	PO Box 7 Woburn, MA 01801	8 Langmaid Ave. # 32	\$1,500.00	\$1,360.00	\$140.00	\$140.00
5	Better Homes II	Quincy Highland Lowell	99 Albion Street, Somerville C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	407 Somerville Ave.	\$1,400.00	\$1,206.00	\$194.00	\$194.00
6	Better Homes II	5519-136&138 Highland Ave Somerville LLC	C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	138 Highland Ave. #16	\$1,962.00	\$1,360.00	\$602.00	\$602.00
7	Better Homes	5519-136&138 Highland Ave Somerville LLC	C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	138 Highland Ave. # 3	\$1,772.00	\$1,206.00	\$566.00	\$566.00
8	Better Homes II	5519-136&138 Highland Ave Somerville LLC	C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	136 Highland Ave. #10	\$1,942.00	\$1,360.00	\$582.00	\$582.00
9	Better Homes II	5519-136&138 Highland Ave Somerville LLC	C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	138 Highland Ave. #33	\$1,885.00	\$1,360.00	\$525.00	\$525.00
10	Better Homes II	5519-136&138 Highland Ave Somerville LLC	C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	136 Highland Ave. #23	\$1,942.00	\$1,360.00	\$582.00	\$582.00
11	Better Homes	5519-136&138 Highland Ave Somerville LLC	C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	138 Highland Ave. #25	\$1,849.00	\$1,360.00	\$489.00	\$489.00
12	Better Homes II	Marino Family Realty 2 LLC	23 Shore Road, Winchester MA 01890	2 Meacham Street #7	\$1,600.00	\$1,421.00	\$179.00	\$179.00
13	SAS II	5519-136&138 Highland Ave Somerville LLC	C/O Akelius US LLC, 3 Post Office Square, Suite 400 Boston, MA 02110	136 Highland Ave. #3	\$1,772.00	\$1,206.00	\$566.00	\$566.00
Total					\$22,246.00	\$17,035.00	\$5,211.00	\$5,211.00
CPA Request FY 2019					UNFUNDED Monthly Portion	Months	TOTAL ANNUAL Request	
					\$5,211.00	12	\$62,532.00	