

## Program Application for CPA Funds

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):

**\$41,976 (July 1, 2017-June 30, 2018)**

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 seventeen years ago, SHC began operating its first HUD McKinney-Vento 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 200 formerly homeless people living in 90 housing units. Seventeen (17) of these units, which are scattered site apartments located throughout Somerville, are directly leased by SHC and we sublet to homeless and disabled Somerville residents as part of our Better Homes Permanent Supportive Housing program.**

**HUD provides approximately 75% of the budget for the operations and home-based case management supportive services component of the Better Homes program. Up**

until six or seven years ago, funding for the leasing costs of these apartments was fully covered by HUD funding. However, since then, the dramatic decline in the local housing vacancy rate and skyrocketing Somerville rents presented a challenging fiscal situation for SHC. While the cost of renting market-rate apartments in Somerville has ballooned, HUD's leasing funds for the Better Homes program units have remained relatively stagnant as they are tied to the Fair Market Rent (FMR) in a region that includes Lawrence and Lowell. 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.

The City of Somerville's own rental study conducted during the summer of 2016 revealed that the average asking rent for Somerville apartments is the following: 1) One Bedroom: \$1,911; 2) Two Bedroom: \$2,398; 3) Three Bedroom: \$3,134; and 4) Four Bedroom: \$3,817.

Over the course of the next year, SHC is projected to spend \$41,976 of our own private funding in order to retain 17 of our apartments. Each month SHC spends a total of \$25,363 in rental costs for these 17 apartments in Somerville. Of this total monthly amount, only \$21,865 is covered by HUD leasing dollars. The \$3,498 monthly deficit has to be made up by new funding that SHC has to raise above and beyond its regular fundraising dollar amounts--\$41,976 annualized.

Without additional funding SHC will begin to lose these apartments in Somerville. We may not be able to lease up new apartments that we cannot afford; 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, 2017-June 30, 2018**

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 2016, 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. Calculations determined that on any given night there are a total of 165 people homeless in Somerville—essentially the same number as in 2015. 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 include having 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. The Better Homes 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 Better Homes program.**

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

**The vast 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. All beneficiaries are Somerville residents and some grew up in the City.**

13. Estimated number of individuals or households served:

**Seventeen (17) formerly homeless and disabled Somerville households, consisting of 21 people (3 families and 14 individuals); 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. A couple of households have been housed over 10 years; nearly half have been housed five or more years; and, 95% 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 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 thirteen years and with the agency for over 17 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 a dozen years, has 17 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 supervision 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 17 years. Currently, with assistance from the AHTF, SHC operates the Prevention-and-Stabilization-Services (PASS) Program and the Tenant Stabilization Program (TSP). This proposal is requesting lease differential funding for SHC's Better Homes Permanent Supportive Housing Program; this is the third consecutive year we have requested this assistance.

During FY 2016, the Tenant Stabilization Program (TSP) program benefited 101 people (45 households). The PASS program benefitted 6 households and the Leasing Differential Program benefitted 17 Somerville 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](http://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 standard;

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](http://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.**

		Somerville Homeless Coalition, Inc.				2.3.17	
		PROPOSAL					
		Somerville Community Preservation Act (CPA)					
		CPA: Leasing Differential Program					
		BUDGET PERIOD: 7/1/17 - 6/30/18					
		<u>LEASING COSTS</u>					
FY18 CPA PROJECTED BUDGET							
Amount Requested		\$ 41,976					
Budget Period 7/1/17-6/30/18							
Line Item		Leasing Budget		HUD Portion	Request: CPA	Total Budget	
HUD Leasing Assistance		\$262,380		\$262,380	\$41,976	\$262,380	
LEASING DIFFERENTIAL ASSISTANCE		\$ 41,976				\$41,976	
Total Leasing Cost Budget		\$ 304,356		262,380	\$ 41,976	\$ 304,356	
		Total Leasing Budget			Request for CPA Leasing	Total Leasing Budget	





# CPA REQUEST FOR 7/1/2017 - 6/30/2018

Program	Owner Name	Owner Address	Unit Address	Full Rent Amount	Using FAFSA as of Oct 2016 HUD Reimbursement	Reimbursement and asking rent	CPA Request
Better Homes	Manho Family Realty 2 LLC	23 Shore Road, Winchester MA 01890	2 Meacham Street #2	\$1,400.00	\$1,372.00	\$28.00	\$28.00
Better Homes	5519-136&138 Highland Ave Somerville LLC	Office Sqare, Suite 400 Boston, MA 02110	136 Highland Ave. Apt # 25	\$1,780.00	\$1,194.00	\$586.00	\$586.00
Better Homes	109 Gilman Street LLC	36 Linden Street Somerville MA 02143	109 Gilman St. Apt # 6	\$1,404.00	\$1,404.00	\$0.00	\$0.00
Better Homes	5519-136&138 Highland Ave Somerville LLC	Office Sqare, Suite 400 Boston, MA 02110	136 Highland Ave # 28	\$1,622.00	\$1,372.00	\$250.00	\$250.00
Better Homes	Central Street Apt	99 Albion Street Somerville	111 Walnut St #33	\$1,400.00	\$1,372.00	\$28.00	\$28.00
Better Homes	AK Peone	PO Box 7 Woburn MA 01801	8 Langmaid Ave Apt # 32	\$1,500.00	\$1,372.00	\$128.00	\$128.00
Better Homes II	109 Gilman Street LLC	36 Linden Street Somerville MA 02143	109 Gilman Street #2	\$1,404.00	\$1,404.00	\$0.00	\$0.00
Better Homes II	Quincy Highland Lowell	99 Albion Ma 02476	407 Somerville Ave	\$1,400.00	\$1,194.00	\$206.00	\$206.00
Better Homes II	John Frasier	31 Hudson Street Somerville MA 02143	31 Hudson St.	\$946.00	\$946.00	\$0.00	\$0.00
Better Homes II	5519-136&138 Highland Ave Somerville LLC	Office Sqare, Suite 400 Boston, MA 02110	138 Highland Ave #16	\$1,795.00	\$1,372.00	\$423.00	\$423.00
Better Homes II	5519-136&138 Highland Ave Somerville LLC	Office Sqare, Suite 400 Boston, MA 02110	138 Highland Ave. Apt # 3	\$1,622.00	\$1,372.00	\$250.00	\$250.00
Better Homes II	109 Gilman Street LLC	36 Linden Street Somerville MA 02143	109 Gilman St Apt #5	\$1,073.00	\$1,073.00	\$0.00	\$0.00
Better Homes II	5519-136&138 Highland Ave Somerville LLC	Office Sqare, Suite 400 Boston, MA 02110	138 Highland Ave Apt #10	\$1,780.00	\$1,372.00	\$408.00	\$408.00
Better Homes II	5519-136&138 Highland Ave Somerville LLC	Office Sqare, Suite 400 Boston, MA 02110	138 Highland Ave. Apt #33	\$1,727.00	\$1,194.00	\$533.00	\$533.00
Better Homes II	5519-136&138 Highland Ave Somerville LLC	Office Sqare, Suite 400 Boston, MA 02110	138 Highland Ave. #23	\$1,780.00	\$1,372.00	\$408.00	\$408.00
Better Homes II	FHRC Management Corp	1372 Broadway Somerville MA 02144	1374 Broadway, Apt R10J	\$1,108.00	\$1,108.00	\$0.00	\$0.00
Better Homes II	5519-136&138 Highland Ave Somerville LLC	Office Sqare, Suite 400 Boston, MA 02110	138 Highland Ave. #25	\$1,622.00	\$1,372.00	\$250.00	\$250.00
			Total	\$26,363.00	\$21,865.00	\$3,498.00	\$3,498.00
<b>SUM Monthly Portion:</b>				\$3,498.00			
<b># of Months:</b>				12			
<b>SUM CPA Ask:</b>				\$41,976.00			

OSPCD Rents Analysis - Somerville Rents	0BR	1BR	2BR	3BR	4BR	5BR	6BR
<b>Current PASS Program Rents (from 2012 Rent Study)</b>	1,162	1,400	1,600	1,875	2,148		
<u>Craig's List 40th percentile of rents without top 3 rents</u>	1,530	1,961	2,398	3,021	3,537		
<u>Apartment Finder 40th percentile of rents without highest 3 rents</u>	1,536	1,861	2,398	3,246	4,097	4831	5371
<b>Average of the two data sets - AF + CL</b>	<b>1,533</b>	<b>1,911</b>	<b>2,398</b>	<b>3,134</b>	<b>3,817</b>	<b>4,831</b>	<b>5,371</b>
Percent increase over current PASS Program Rents	32%	37%	50%	67%	78%		

<< Pink means it is the lowest

CRAIGSLIST (June 1, 2016) n=477 Rents in summary include utility allowance

median rent	1,616	2,061	2,398	3,146	3,797		
median rent without lowest 3 and highest 3 rents	1,591	2,061	2,398	3,096	3,697		
median rent without highest 3 rents	1,542	2,051	2,398	3,096	3,697		
median rent without rents at or higher than 1.35X40th (if any exist)	1,616	2,051	2,398	3,096	3,797		
average rent	1,661	2,055	2,508	3,197	3,818		
average rent without lowest 3 and highest 3 rents	1,591	2,057	2,460	3,131	3,766		
average rent without highest 3 rents	1,515	2,035	2,447	3,105	3,716		
average rent without rents at or higher than 1.35X40th	1,661	2,035	2,451	3,105	3,818		
40th percentile of rents	1,586	1,969	2,398	3,046	3,597		
40th percentile of rents without lowest 3 and highest 3 rents	1,586	1,993	2,398	3,046	3,577		
<b>40th percentile of rents without top 3 rents</b>	<b>1,530</b>	<b>1,961</b>	<b>2,398</b>	<b>3,021</b>	<b>3,537</b>		
40th percentile of rents without rents at or higher than 1.35X40th	1,586	1,961	2,398	3,021	3,597		

**30th percentile of rents without top 3 rents CRAIG'S LIST**      **1,522    1,861    2,298    2,946    3,497**

APARTMENT FINDER (July 8, 2016) n=487 Rents in summary include utility allowance

median rent	1,666	1,951	2,473	3,246	4,197	5,031	5,531
median rent without lowest 3 and highest 3 rents	1,710	1,951	2,473	3,246	4,197	5,031	n/a
median rent without highest 3 rents	1,647	1,951	2,448	3,246	4,097	4,831	5,331
median rent without rents at or higher than 1.35X40th	1,666	1,901	2,448	3,246	4,197	5,031	5,531
average rent	1,739	2,023	2,639	3,429	4,224	4,986	5,639
average rent without lowest 3 and highest 3 rents	1,746	2,024	2,573	3,375	4,191	4,957	n/a
average rent without highest 3 rents	1,653	1,978	2,543	3,339	4,127	4,838	5,371
average rent without rents at or higher than 1.35X40th	1,739	1,946	2,529	3,296	4,185	4,986	5,639
40th percentile of rents	1,655	1,861	2,398	3,246	4,097	4,831	5,371
40th percentile of rents without lowest 3 and highest 3 rents	1,666	1,870	2,398	3,246	4,097	4,831	n/a
<b>40th percentile of rents without highest 3 rents</b>	<b>1,536</b>	<b>1,861</b>	<b>2,398</b>	<b>3,246</b>	<b>4,097</b>	<b>4,831</b>	<b>5,331</b>
40th percentile of rents without rents at or higher than 1.35X40th	1,655	1,861	2,398	3,201	4,097	4,831	5,371

**30th percentile of rents without top 3 rents APARTMENT FINDER**      **1,516    1,860    2,398    3,096    3,897    4,791    5,331**