

Program Application for CPA Funds

Date of Application: February 28, 2019

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, Executive 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):

\$73,884 (July 1, 2019-June 30, 2020)

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

- Support-to provide rental assistance for the purpose of making housing affordable.**
- Preserve supply of affordable housing in Somerville.**
- Help low-to-moderate income households gain access to or retain housing.**

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

Nearly nineteen 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 eight 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 in 2016 revealed the following (*a new rental study will be conducted in 2019*):

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

**Note that the 2019 Boston-Cambridge FMR's are currently under appeal, therefore we have been advised to continue using the 2018 FMR's until a decision has been made.*

Over the course of the next year, SHC is projected to have to raise \$73,884 of additional funding in order to retain 13 Somerville apartments. Each month SHC is scheduled to spend a total of \$23,096 in rent for these 13 apartments in Somerville. Of this total monthly amount, only about \$16,939 is covered by HUD leasing dollars. The \$6,157 monthly deficit has to be made up by new

funding that SHC has to raise above and beyond its regular fundraising dollar amounts--\$73,884 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, 2019-June 30, 2020

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) qualified as chronically homeless people, which is considered the most vulnerable subpopulation with the longest lengths of homelessness

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 seven years; three of the households have been housed over 10 years; 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 Program Budget

Funds Approved: HUD Leasing Assistance (\$203,268) has been approved for FY 2020 time period.

Please note that the 2019 Boston-Cambridge FMR's are currently under appeal, therefore we have been advised to continue using the 2018 FMR's until a decision has been made. As a result, within this proposal we have utilized the FY 2018 FMR levels since that is currently in effect. If the FY 2019 FMRs are approved then they will be implemented within this program; this may result in cost savings for CPA if the FMR increases in FY 2019.

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 over the years 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 member involved in achieving the goals and outcomes set out in this proposal is our Executive Director, Michael Libby.

Michael Libby, a licensed certified social worker (LCSW) in the Commonwealth for over a dozen years, has over 19 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 manager of our adult and family shelters. As part of his responsibilities as Deputy Director of SHC, Michael was 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 has provided clinical supervision to the staff of the Housing Services Department (ie supportive housing case managers) and he was also responsible for providing quality management within all of the programs. As part of the quality improvement process, Mike has been closely involved in collecting, tracking, and reporting outcome data for internal and external purposes; this skill will lend itself to producing accurate 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 19 years. Currently, with assistance from the AHTE, SHC operates the Prevention -and-Stabilization-Services (PASS) Program and SHC operated the Tenant Stabilization Program (TSP) during FY 17. This proposal is requesting leasing differential funding for SHC's Permanent Supportive Housing Program; this is the fifth 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) benefitted 6 households (20 people); and, the Leasing Differential Program benefitted 13 households. The CPA PASS Expansion Program is in its beginning stages as the contract only began this past fall of 2018.

Since the start of the CPA Leasing Differential Program on July 1, 2015, there has only been one client that has turned-over; the remaining clients all entered the program before 2015. The one client that vacated went back to live with his family in housing.

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.

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

The Somerville Homeless Coalition (SHC) has been an integral part of the Somerville-Arlington CoC for decades. Over the past dozen years SHC has essentially attended every CoC Homeless Providers Group meetings. SHC continues to be the HMIS Lead Agency for the CoC and is the chair of the HMIS Committee. SHC has been co-chair of the entire CoC a few times and is also the chair of the CoC Governance committee. SHC has a CoC grant for a Coordinated Entry project and is the lead agency in facilitating the operation of the CoC's coordinated entry system.

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

Yes X No _____

If yes, has the monitoring resulted in any currently open findings? Yes _____ NO X

