

CITY OF SOMERVILLE, MASSACHUSETTS
SOMERVILLE AFFORDABLE HOUSING TRUST FUND
KATJANA BALLANTYNE
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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

Program Application for CPA/Trust Funds

- 1. Agency Name and Address:** Somerville Homeless Coalition
1 Davis Square, 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, mlibby@shcinc.org
- 4. Name of proposed Program:** Emergency Resident Displacement Prevention
- 5. Amount of request and source of request (Trust or CPA):**

Total request - \$129,895.00

CPA Portion - \$12,980.00

Trust **OR** CPA Portion - \$116,915.00

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

The program would qualify under the “support” category as the rental assistance and stabilization services would be supporting individuals and families directly to keep their housing affordable and prevent homelessness.

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

SHC operates a large Permanent Supportive Housing (PSH) program that serves formerly homeless, disabled individuals and families. This program is mainly funded through HUD Continuum of Care (CoC) funds which covers rent, utilities and case management support. SHC's CoC funded PSH program currently serves 51 households, 22 of whom live in Somerville.

Due to new language in our CoC contract, which will take effect on July 1st, SHC will no longer be able to use CoC funds to support certain existing households who no longer meet the federal government's requirements for assistance. We anticipate this impacting 4 Somerville households, consisting of 10 individuals (including 5 children).

These new federal regulations are being challenged across the country. There is currently an active court case which claims these changes are illegal and un-enforceable. Unfortunately, it is highly unlikely a final decision will be made by the courts prior to the start of our new grant cycle (there is currently a preliminary injunction), leaving SHC in an extremely difficult position. We are not in a

position to take on the financial liability of continuing to serve these households with the risk of not being able to be reimbursed by HUD for the expenses (there is also a risk of triple damages if there is a violation of the contract). Without another funding source, SHC will be forced to terminate these clients and evict them from their housing.

This request is being submitted to the Trust outside of the typical RFP cycle due the emergency nature of the need. Unfortunately, SHC has not received guidance from the Balance-of-State (BoS) Continuum-of-Care (CoC) on how to proceed with these new regulations. CoCs across the country are scrambling to understand the new requirements, determine how that impacts existing clients receiving services, and are awaiting more information through the pending litigation. While SHC originally was under the impression from the BoS CoC that these new changes would not impact our CoC, it has recently become clear that there is a lot of gray area and no pathway has yet to be confirmed for continuing to serve these households.

We are seeking support from the SAHTF to sustain the tenancies and services for these 4 vulnerable households to prevent them from becoming homeless on July 1st. These are long-time Somerville residents and SHC clients, we are desperate to keep them stabilized.

Household 1 - 18 years in SHC housing

Household 2 - 8 years in SHC housing

Household 3 - 14 years in SHC housing

Household 4 - 5 years in SHC housing

Funds requested will support rent, utilities and essential case management services.

If the request is approved, SHC anticipates one of the following scenarios taking place:

- (1) The court case challenging the new HUD requirements is finalized and the courts determine the new requirements cannot be enforced. Assuming that decision is made prior to June 30, 2026, it is likely that SHC can retroactively bill the expenses incurred to our HUD contract and return the funds to the Trust.
- (2) The court case challenging the new HUD requirements is finalized and the courts uphold the new requirements. SHC is able to keep these 4 vulnerable households in their homes with the assistance of the Trust. SHC will work diligently to identify other affordable housing solutions for these households but may return to the Trust on an annual basis to request renewed funding until those other housing options are secured (State Public Housing, MRVPs, moving in with friends or family, etc.). Alternatively, if other housing isn't secured but HUD chooses to revert the language in the agreements in the future, the households could potentially return to the program.

If this request is approved, these 4 Somerville households will not have a disruption in services or housing. It is extremely important to us to maintain stability and security for these individuals and families during this difficult, scary and uncertain time for them.

8. Timeframe for performance: July 1, 2025 - June 30, 2026

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

N/A - all households already receiving services and housing, if request is awarded, the funding source for these households would transition to this contract as of July 1, 2025.

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:

SHC is the main PSH provider in Somerville. While it is possible that other PSH providers have a few units in Somerville with tenants in similar situations, it is unlikely to be a widespread problem.

PSH is an extremely important resource to have available in Somerville as it is one of the few housing pathways for those who are disabled and homeless. PSH not only provides housing but also offers essential supportive services. Each household is assigned a Case Manager who meets with them in their home or in the community on a regular basis. Their Case Manager assists them with setting and achieving their goals. Many households work toward independent housing; however, given the cost of living in the Somerville area, this is often a long process.

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

While PSH does not have income limits, all households requiring assistance through this request are under 30% AMI. Due to challenges in increasing their income based on work opportunities, disabling conditions and availability of childcare, we do not anticipate any of the household's income to increase significantly during the period of assistance.

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

The households who will benefit from this assistance are all long term Somerville residents with strong ties to the community. Each Head of Household has a documented disabling condition, and each household moved into the program directly from homelessness. These households are extremely vulnerable, especially in light of recent federal regulation changes which limit their access to resources and safety in the community.

13. Estimated number of individuals or households served:

The program will support 4 households, consisting of 5 adults and 5 children (10 individuals total).

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

The assistance will allow SHC to keep these 4 vulnerable households in their existing Somerville homes. SHC will view this program as a success if the households are able to stay housed and receive support, preventing their return to homelessness.

Services provided are tracked in SHC's Homeless Management Information System (HMIS). Demographic information or other service related information can be generated as requested for reporting purposes.

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.

A full budget is attached. It is important to note that SHC collects an "occupancy fee" from all residents in the PSH program. This fee is calculated based on 30% of their monthly, adjusted income, in line with the regulations used for all federally funded programs (ie. housing authority units, HOME rental vouchers, etc.). The client occupancy fees will be used to cover the expenses of the program prior to SHC invoicing the Trust (ie. the funds get "reinvested" into the program prior to funders reimbursement).

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

Without funding from the Trust, SHC will be unable to keep these households in their housing. They will be issued termination notices and may be evicted if they do not vacate their units. These steps will be taken immediately upon decision by the Trust on this funding award since SHC is not in a position to financially support the ongoing participation of these households after July 1st.

If these households return to homelessness, and the courts rule in favor of the challenge to the new HUD requirements down the road, it would be too late to bring the households back into the program. The vacancies would likely have already been filled and the clients would not qualify to enter the program until they were once again chronically homeless (12+ months). They also would need to score highest on the vulnerability assessment through the BoS Coordinated Entry process to be considered. The result of all of this is that the households would become homeless and likely not return to Somerville.

There are no other sources of funding that SHC currently has access to that would support these activities. SHC has discussed other funding options with City of Somerville staff and was directed to the SAHTF. SHC also spoke with Ellen Shachter, the Director of the Somerville Office of Housing Stability who confirmed that their office does not have unallocated funding to support this request at this time.

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:

As this program would commence beginning July 1, 2025, the staff member leading the process would be Brielle Calderan, SHC's Director of Programs. Brielle is responsible for interfacing with the Balance of State CoC and for ensuring contract compliance. She has been working at SHC for over 6 years and in her current role for over 5 years.

The case management services offered to these households would be provided by SHC's team of PSH Case Managers (4 full time Case Managers). This team is lead by Program Manager, Christelle Toussaint, who has been working on the PSH program for over 5 years. She is supported by Jess Saravia, SHC's new Director of Stabilization. No additional staff will need to be hired.

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 not previously submitted a request for this type of assistance. This is an emergency request given the extenuating circumstances of the federal regulation changes and unknown outcome of the pending litigation.

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).

Somerville's 5 Year Consolidated Plan outlines various relevant goals including (a) creating and preserving affordable housing, (b) supporting vulnerable populations and (c) mitigating and ending homelessness. This request seeks to address all three of these goals by preserving affordable housing for these extremely vulnerable households who would otherwise become 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 outlines three important "calls" - (a) advancing equity, (b) preventing displacement and (c) community collaboration. This request addresses all three of these calls to action. We would be able to offer an equitable solution for these residents who are at risk of becoming homeless based on federal regulation changes which are not in line with City of Somerville values. This type of creative solution to keep these households in their housing speaks to the collaborative environment we have in the community which ensures that agencies, city departments, etc. will come together to support our residents.