

Application Cover Sheet

GENERAL INFORMATION

Project Name: Emergency Housing Assistance Program

Project Location (address and neighborhood):

All residents of Chelsea who income qualify will be eligible for this program, regardless of neighborhood.

Legal Property Owner of Record: Not applicable, this program will only operate under the 'support' verb

CPA Program Area (check all that apply):

Open Space/Recreation Historic Preservation Community Housing

Short Project Description:

Since its arrival, the unbridled spread of COVID-19 has insidiously affected urban communities, where inequalities have been magnified, and civic infrastructure has been quickly overwhelmed. Throughout the pandemic and economic downturn, communities such as Chelsea have been disproportionately impacted. The abrupt wave of business closures directly attributable to the virus has further burdened the community. Seemingly overnight, the virus has profoundly changed the social, economic, and cultural fabric of the City. Increasingly, residents are unable to cover the cost of housing and basic necessities, such as food. Without immediate help, through forms of housing relief, residents will be confronted with the prospect of foreclosures and evictions. Disconcertingly, eviction and foreclosure activity will exacerbate the public health crisis and further undermine the economic stability of the community. To provide a small, but meaningful remedy to help stabilize the intractable circumstances, the Chelsea Affordable Housing Trust Fund respectfully requests the Chelsea Community Preservation Committee approve this application and recommend to the Chelsea City Council the appropriation of \$1,250,000 to capitalize an emergency housing assistance fund that will aid the City's residents and reduce displacement.

Estimated Start Date: 4 / 13 / 2020 **Estimated Completion Date:** 6 / 30 / 2021.

PROJECT CONTACT

Contact Person: Alexander Train.

Telephone: 617.466.4192 **Email:** atrain@chelseama.gov.

Name of Applicant: City of Chelsea Department of Planning & Development

(check one below)

City Committee or Department Public Charity/Non-Profit Private Group/Individual

FUNDING INFORMATION

Amount Requested: \$ 1,250,000 **Total Project Cost:** \$ 1,250,000

SAMPLE GRANT AGREEMENT AND AWARD LETTER

Please sign the following:

I have read the sample grant agreement and award letter at the end of this document and understand their contents:

Signature of Applicant _____

Project Narrative and Timeline

Please address the following questions and requirements. **Please limit your answers to no more than 250 words.**

1. **PROJECT SUMMARY & ANTICIPATED OUTCOME:** Provide a detailed description of the project—what do you hope to do and why will this project make a difference to the community? How will you measure success?

In partnership, the Chelsea Community Preservation Committee (CPC), Affordable Housing Trust Fund Board (AHTFB), and Department of Planning and Development are uniquely positioned to take urgent action to provide temporary, but meaningful, relief. Through this application, the Affordable Housing Trust Fund proposes the creation of an emergency housing assistance fund. The fund will be administered by the Department of Planning and Development, in coordination with the CPC and AHTFB. As part of this application, the CPC's recommendation to the Chelsea City Council is sought for the appropriation of \$1,250,000 for the purpose of capitalizing this fund. The CPC funds, reserved for emergency rental assistance, would be pooled with \$250,000 from the Affordable Housing Trust Fund allotted to provide emergency home owner assistance.

The funding requested from the CPC will be tracked separately and used exclusively as rental assistance for income eligible households, in accordance with the CPC's allowable uses of funds to support community housing. Funds set forth by the AHTFB will be managed similarly, although these funds may aid renters and home owners, including owners of one- to four-unit buildings that underpin neighborhood stability. To implement the program, the City expects to hire a contractor to administer the application and intake process.

This fund will enable the City to respond expeditiously, allowing it to be adaptive to rapidly evolving circumstances. Combined, it will also allow the partnership to strategically target direct grant assistance to the most vulnerable households, backstopping housing stability until the pandemic subsides. In certain cases, depending on the financial circumstances and emergent trends, the fund may offer loan financing to home owners, through the AHTF share.

Furthermore, the fund would support the City's proposed holistic approach. Through this approach, the City seeks to increase housing stability through a combination of housing counseling, landlord engagement, foreclosure prevention assistance, and immediate financial relief for income eligible applicants. These activities would be carried out in coordination with the City's community based partners.

Chelsea is likely to be hit hard by this epidemic. Our population is particularly vulnerable, due to the prevalence of public health, social, and economic determinants of health. Economically, the ramifications will profoundly alter the stability, health, and well-being of residents, particularly for low-wage workers living paycheck to paycheck. Therefore, urgent action, through the form of emergency housing assistance, is warranted. CPC funding would serve households making up to 50% of the Area Median Income, which approximately equates to the City's actual median household income. This program would benefit approximately 300 households, assuming a full \$5,000 grant to each.

Grants shall be disbursed directly to property owners (landlords). Prior to disbursement, grant agreements shall be executed between the applicant and the City. Every effort will be made to process applications, grant agreements, and payments expeditiously. At the discretion of the Department, payments may be used to cover past delinquencies. Checks will be accompanied by a

letter stating that by cashing this check you agree that you will not begin any eviction proceedings against this tenant for a period of three (3) months. All surplus funds will be used to expand the assistance offered under this program. Surplus funds would allow the City to serve an increased number of beneficiaries. Any funds remaining on 30 June 2021 will be returned to the Community Preservation Fund.

Success will be measured by the number of households that are helped.

Please see the full program description, which is attached.

2. **CPC GUIDING PRINCIPLES AND GOALS:** How does this project accomplish the CPC’s Guiding Principles and Goals as described in the Chelsea Community Preservation Plan? Please be specific, addressing each of the following:

Lead and Supporting Priorities	This program implements the first lead priority: to support affordable housing for households at or below Chelsea’s median income. The program will use federal guidelines for 50% AMI as a proxy for the Chelsea median income. Both are roughly equivalent and within each other’s margins of error.
Leveraging Funding	While CPC funds will be the only component of this emergency rental assistance program, it will be executed in combination with other programs to support a broader range of Chelsea residents through Community Development Block Grant and Affordable Housing Trust Fund monies.
Planning and Community Goals	While this program will not have a long-term impact on the Chelsea housing market, it is hoped that it will have a long-term impact on some of the households that are being helped by preventing them from being displaced out of Chelsea and allowing them to remain a part of this community.
Compatibility Between CPA Categories (refer to the GOALS for each category)	This program will only address Community Housing needs.
Protecting Chelsea’s Most Vulnerable Populations	This program is designed to meet the critical needs of Chelsea’s most vulnerable populations by targeting those household who have been most impacted by the coronavirus crisis. These residents are at immediate risk of being displaced and potentially made homeless. We have an opportunity to show them that we value them and their contributions to our community.

3. **COMMUNITY SUPPORT** What community support does this project have? Explain the nature and level of the support.

This program is an emergency response to a crisis that is building and unfolding around us day by day. The opportunity has not been available to do the community outreach that we would have liked. In informal discussions with community base organizations, the feedback has been uniformly positive. We are asking the CPC and the City Council to judge the level of community need and use

this as a vehicle to respond to that need. During the extensive community outreach that was done in developing the Community Preservation Plan, housing support for our poorest residents to allow them to stay in our community was the number one priority.

4. **IMPLEMENTATION AND TIMELINE** Highlight major project milestones, explain the various steps of the project, and identify when they will be completed. List and explain any further actions or steps needed for the completion of the project, including environmental assessments, permits, variances, or other legal ramifications/impediments to the project. Projects may have a timeline extending to a maximum of two years.

For projects that are part of a broader and/or phased plan, describe the scope and sequencing of the full project plan and how this project contributes. Explain whether the project will request additional CPC funds in future years for this project.

An objective of the program will be to simplify the intake process as much as possible. Subject to development, the intake process will likely occur through both a digital and analog medium. Applications may be filed online, through the City's website and web platforms, as well as through mail. Upon receipt, the Department of Planning and Development and/or its contractor will evaluate the application for compliance with the program's income limits and policies by first examining the applicant's annual income. Annual income is the anticipated total income from all sources received by the Family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12 month period following the effective date of certification of income.

5. **ORGANIZATIONAL CAPACITY AND MAINTENANCE**

- a. Explain the qualifications/experience of the project's sponsor/sponsoring organization. Provide the organization's mission statement, experience of the project manager/project contact, track record with summary of similar projects completed by the project manager/project contact—and the track record of the sponsor/sponsoring organization.

Alex Train, the Assistant Director of Planning & Development will be the project manager for this program. He has extensive experience in designing and managing housing programs administered by the department through the Community Development Block Grant program. He will be assisted by departmental staff and will hire qualified contractors to assist if needed.

- b. How will the site or building be maintained? What ongoing maintenance and upkeep is required? Please explain:
- The maintenance responsibilities required
 - The costs for annual and long-term maintenance
 - The entity responsible for these responsibilities and costs
 - How this revenue will be generated

Not applicable.

APPLICANT SIGNATURE: _____

DATE SUBMITTED: _____

Project Budget

The project budget should detail the total budget for this project, including specifically how CPA funds will be spent. List all funding sources and uses of funds. Clearly distinguish among costs to be paid from CPA funds versus other sources of funding.

SUMMARY OF PROJECT EXPENSES¹

Identify hard and soft costs, contingencies, and project management time (from contracted managers or existing staff). Please provide three written project quotes when possible—or show why this is not appropriate or feasible. *(Leave any category blank if not applicable to your project)*

	CPA Funds	Other Funding	Total
Personnel	\$	\$ In-kind*	\$
Equipment	\$	\$	\$
Supplies	\$	\$	\$
Design and Contracts	\$	\$	\$
Building and Construction	\$	\$	\$
Direct Grants for Rental Assistance	\$1,250,000	\$	\$1,250,000
TOTAL	\$1,250,000	\$	\$1,250,000

* No expenditures are requested to compensate the City of Chelsea for staff time. If necessary, up to 5% of the funds may be used to hire qualified consultants to assist in the intake and case management processes.

INCOME – OTHER SOURCES OF PROJECT FUNDING

If the project leverages funds from other sources, list all other additional non-CPA project funding sources, amounts, and funding status—either pending, committed, or will apply. Sources can include private, federal, state or local government, or any other sources. If seeking grants/loans from other funding sources, include commitment letters from funders or letters of inquiry to funders—in addition to any in-kind contributions, donations, or volunteer labor.²

Source	Item	Amount	Secured? Yes/No
Affordable Housing Trust Fund	Parallel program to address the needs of owners of 1-4 unit properties facing similar difficulties resulting from the pandemic	\$250,000	
		\$	
		\$	
		\$	

¹ Equipment is generally defined as an item with a useful life expectancy of more than one year. Supplies are defined as an item with a useful life of less than one year. Construction means all types of work done on a particular property or building including erecting, altering or remodeling.

EXPLANATION OF UNSECURED FUNDING

Please explain any anticipated sources of project funding listed above that are **not** secured.

Project Attachments

EVIDENCE OF COMMUNITY SUPPORT

What community support does this project have? Please include as many of the following as possible:

- Letters of support from neighborhood groups/organizations, civic organizations, residents, and/or businesses.
- Letters of support/comment from relevant City departments, City officials, and/or City boards and commissions.
- Demonstrated notice to all direct project abutters and/or letters of support from all direct project abutters or explanation of why support is not demonstrated.

VISUAL MATERIALS

- Photographs, renderings, or design plans of project site or resource.

MAPS

- USGS topographical map, assessors map, or other map as appropriate, showing location of the project site and nearest major roads or intersections (copy of assessor's map with the location highlighted is usually adequate).

EVIDENCE OF FUNDING SUPPORT

What financial and in-kind support does this project have? Attach commitment letters, if possible, from:

- Any organization(s) or individual(s) providing a financial contribution listed in your Project Budget.
- Any organization(s) or individual(s) providing an in-kind contribution listed in your Project Budget.

REQUIRED FOR HISTORIC PRESERVATION PROPOSALS

- If your project site is not listed on the State Register of Historic Places then the application must include a letter from the Chelsea Historical Commission designating the property or resource as locally significant "in the history, archeology, architecture, or culture" of Chelsea. This is required by Section 2 of MGL c.44B.
- Statement explaining how the proposed project complies with the U.S. Secretary of the Interior's Standards³, as required by Section 2 of MGL c.44B under the definition of "rehabilitation."

³ Official versions of these Standards may be found at the following links: Standards and Guidelines for the Treatment of Historic Properties, especially "Choosing an Appropriate Treatment," www.nps.gov/history/hps/tps/standguide/overview/choose_treat.htm or Guidelines for Cultural Landscapes (considered part of the Standards above) www.nps.gov/history/HPS/hli/landscape_guidelines/index.htm

- Mass. Historic Commission Historic inventory sheet (if available)
- Historic structure report or existing conditions report (if available)

REQUIRED FOR PROPOSALS INVOLVING REAL PROPERTY:

Demonstration of site control/ownership:

- For City-owned property:** Submit a letter of support from the head of the City department that has custody/jurisdiction of the project site.
- For other properties:** Submit a copy of a legally binding option, purchase and sale agreement, or deed.⁴
- If this project entails work done on property owned/controlled by someone else,** please include documentation that the property owner gives permission to implement the project. It should also document who will receive funds, hire and manage contractors, and be responsible for ongoing maintenance.

REQUIRED FOR PROPOSALS INVOLVING DESIGN AND CONSTRUCTION

- Demonstrate compliance with all relevant building codes, zoning, accessibility requirements, and all other applicable laws and regulations.
- Development pro-forma and operating budget for the planned use of the site (if applicable).
- Site Plans, both existing and proposed; floor plans and elevations (if applicable).
- Describe any sustainable materials and/or techniques and/or energy reduction measures that will be used and estimate net costs/benefits over the life of the project (if applicable).

Visit the CPC's webpage for more information:

<https://www.chelseama.gov/community-preservation-committee>

If you have questions, please contact Karl Allen, Economic Development Planner at kallen@chelseama.gov or by phone at (617)-466-4190

ease see following pages for the review form that the CPC will use to guide its decision-making.

⁴ In cases with no option or p&s in place, the application must include a letter of authorization from the property owner to submit the CPA application. If property owner is an organization or corporation, then letter of authorization must provide documentation of appropriate authorization by entity's executive body and copy of relevant section of governing bylaw that establishes this authority. (In case of taking by eminent domain, this requirement may be waived.)

Emergency Housing Assistance Program

Introduction

Since its inception, the unbridled spread of COVID-19 has insidiously affected urban communities, where inequalities have been magnified, and civic infrastructure has been quickly overwhelmed. Throughout the pandemic and economic downturn, communities such as Chelsea have been disproportionately impacted. The abrupt wave of business closures directly attributable to the virus has further burdened the community. Seemingly overnight, the virus has profoundly changed the social, economic, and cultural fabric of the City. Increasingly, residents are unable to cover the cost of housing and basic necessities, such as food. Without immediate respite, through forms of housing relief, residents will be confronted with the prospect of foreclosures and evictions. Disconcertingly, eviction and foreclosure activity will exacerbate the public health crisis and further undermine the economic stability of the community. To provide a small, but meaningful remedy to help stabilize the intractable circumstances, the Applicant respectfully requests \$1,250,000 to capitalize an emergency housing assistance fund that will aid the City's residents.

Documentation of Need

The City's working class residents, many of which form the economic backbone of the construction, transportation, retail services, and hospitality industries, have been severely impacted by the pandemic. As businesses have closed, local unemployment has sharply risen. As a result, the economic effects have reverberated throughout the community. Almost overnight, the erosion of household income has left residents without the resources to cover housing expenses and basic necessities. Before the pandemic, the City's median household income was \$53,280, while its poverty rate hovered near 20% (2018, US Census American Community Survey 5-Year Estimates). Furthermore, approximately half of the City's renters and 40% of the City's homeowners were housing cost burdened. (2018, US Census American Community Survey 5-Year Estimates). In the last month, these unsettling trends have indisputably worsened.

Predominantly, residents of Chelsea work in the construction, retail services, and hospitality industries – all sectors that have abruptly slowed or closed as a result of the pandemic. Left without income and full time employment, residents are now unable to safely endure the crisis. In affluent communities, households may tap accrued wealth, in the form of cash savings or retirement accounts. Oftentimes, these savings act as a safety net during periods of economic hardship. However, in communities like Chelsea, residents, particularly minority populations, face a striking wealth gap. This is particularly severe for Latinx communities, where 20% of college educated households and 50% of non-college educated households cannot afford to cover typical household expenses after experiencing a \$400 emergency expense (2019, Federal Reserve Board of Governors, Economic Well-being Report). Without this vital insulation, residents are confronted with the prospect of eviction or foreclosure in the midst of a public health crisis

Program Overview

In partnership, the Chelsea Community Preservation Committee (CPC), Affordable Housing Trust Fund Board (AHTFB), and Department of Planning and Development are uniquely positioned to take urgent action to provide temporary, but meaningful, relief. Through this application, the Affordable Housing Trust Fund proposes the creation of an emergency housing assistance fund. The fund will be administered by the Department of Planning and Development, in coordination with the CPC and AHTFB. As part of this application, the CPC's recommendation to the Chelsea City Council is sought for the appropriation of \$1,250,000 for the purpose of capitalizing this fund. The CPC funds, reserved for

emergency rental assistance, would be pooled with \$250,000 from the Affordable Housing Trust Fund allotted to provide emergency home owner assistance.

The funding requested from the CPC will be tracked separately and used exclusively as rental assistance for income eligible households, in accordance with the CPC’s allowable uses of funds to support community housing. Funds set forth by the AHTFB will be managed similarly, although these funds may aid renters and home owners, including owners of one- to four-unit buildings that underpin neighborhood stability. To implement the program, the City expects to hire a contractor to administer the application and intake process.

This fund will enable the City to respond expeditiously, allowing it to be adaptive to rapidly evolving circumstances. Combined, it will also allow the partnership to strategically target direct grant assistance to the most vulnerable households, backstopping housing stability until the pandemic subsides. In certain cases, depending on the financial circumstances and emergent trends, the fund may offer loan financing to home owners, through the AHTF share.

Furthermore, the fund would support the City’s proposed holistic approach. Through this approach, the City seeks to increase housing stability through a combination of housing counseling, landlord engagement, foreclosure prevention assistance, and immediate financial relief for income eligible applicants. These activities would be carried out in coordination with the City’s community based partners.

Chelsea is likely to be hit hard by this epidemic. Our population is particularly vulnerable, due to the prevalence of public health, social, and economic determinants of health. Economically, the ramifications will profoundly alter the stability, health, and well-being of residents, particularly for low-wage workers living paycheck to paycheck. Therefore, urgent action, through the form of emergency housing assistance, is warranted.

Eligibility. CPC funds shall be limited to current Chelsea residents whom reside in rental housing units. In alignment with the Chelsea Community Preservation Plan, the income limits will be set at 50% of the Area Median Income, based on the U.S. Department of Housing and Urban Development’s 2019 Income Limits for the Boston-Cambridge-Quincy, MA area.

AHTFB funds shall be limited to Chelsea home owners of owner-occupied one- to four-unit properties. The income limits will be set at 80% of the Area Median Income, based on the U.S. Department of Housing and Urban Development’s 2019 Income Limits for the Boston-Cambridge-Quincy, MA area.

Household Size	80% Area Median Income	50% Area Median Income
1	\$62,450	\$41,500
2	\$71,400	\$47,400
3	\$80,300	\$53,350
4	\$89,200	\$59,250
5	\$96,350	\$64,000

6	\$103,500	\$68,750
7	\$110,500	\$73,500

*U.S. Department of Housing and Urban Development
2019 income limits for Boston, Cambridge, Quincy, MA-NH MSA.*

As applications are received, the Department of Planning and Development will undertake an income evaluation to ensure the applicants household income complies with all requirements set forth in the Program Policies. The income evaluation and intake process will examine all sources of a household's income, including, but not limited to, employment income, savings and assets, and public benefits. Applicants will be directed to furnish evidence of recent economic hardship, such as a sudden loss of income or unemployment, when feasible. In certain cases, if such documentation is unavailable, applicants may self-certify income

All renter applicants will be advised on available resources and counseling services, including, but not limited to, educational sessions for tenants on legal rights, food assistance, home heating assistance, and social services.

All home owner applicants will be advised on available resources and counseling services, including, but not limited to, food assistance, home heating assistance, lead abatement programs, housing rehabilitation programs, loan modification guidance, and foreclosure prevention counseling. Home owner applicants will be required to seek mortgage forbearance, if such forbearance option is presently available, as part of the CARES Act, and will not impose a financial penalty or hardship on the mortgagee.

Assistance from this pool of funds will be disbursed as direct grant assistance equivalent to three (3) months of rent or mortgage costs, or \$5,000 per household, whichever is less.

Target Population. CPC funding would serve households making up to 50% of the Area Median Income, which approximately equates to the City's actual median household income.

This appropriation would benefit approximately 300 households, assuming a full \$5,000 grant to each.

Surplus Funds. All surplus funds will be used to expand the assistance offered under this program. Surplus funds would allow the City to serve an increased number of beneficiaries. Any funds remaining on 30 June 2021 will be returned to the Community Preservation Fund.

Application Process. An objective of the program will be to simplify the intake process as much as possible. Subject to development, the intake process will likely occur through a digital and analog medium. Applications may be filed online, through the City's website and web platforms, as well as through mail. Upon receipt, the Department of Planning and Development and/or its contractor will evaluate the application for compliance with the program's income limits and policies by first examining the applicant's annual income. Annual income is the anticipated total income from all sources received by the Family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12 month period following the effective date of certification of income.

Proposed Documentation Required for Applications:

1. A COPY of the last four (4) most recent paycheck stubs for you and any other household member who will be occupying the home. The paycheck stubs must have the year to date gross income listed. If you are paid in cash or by personal check, you must provide a letter from your employer

stating your year to date pay. This letter must be on the company letterhead. Phone and fax number of employers for verification.

2. A COPY, for ALL HOUSEHOLD MEMBERS, two months of bank statements for all checking accounts, savings accounts, money market, employer card, reload cards, etc.
3. A COPY of all other sources of income for ALL members of the household, including but not limited to current Social Security/SSI benefit letters and Unemployment checks/statements. Child support or alimony requires child support agreement and divorce decree as evidence of payment, and any other retirement pension statements. A COPY of proof of SNAP benefits if applicable.
4. If available, a COPY of proof of economic hardship (job loss, loss of hours, loss of income, increase in expense, etc.).
5. If available, a COPY of lease or rental agreement, proving residency in Chelsea. The lease or rental agreement must include monthly rental amount.

Terms of Grants. Grants shall be disbursed directly to property owners. Prior to disbursement, grant agreements shall be executed between the applicant and the City. Every effort will be made to process applications, grant agreements, and payments expeditiously. At the discretion of the Department, payments may be used to cover past delinquencies. Checks will be accompanied by a letter stating that by cashing this check you agree that you will not begin any eviction proceedings against this tenant for a period of three (3) months.

Source of Funds. These funds will be appropriated from the Community Housing Reserve (\$288,823) and the Budgeted Reserve (\$961,177), for a total appropriation of \$1,250,000. An additional \$250,000 will be provided by the Affordable Housing Trust Fund.