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Community Preservation Act Committee Proposal Request Form for FY 13

Date: 26 March 2013

Submitting Entity: Family Outreach of Amherst and Amherst Housing Authority

Contact Person: Laura Reichsman (FOA, Program Director) or Denise LeDuc (AHA, Executive Director)

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Overview of Proposal:

Describe how your request meets the CPA criteria: This proposal is for the preservation and support of community housing by preserving tenancies for Amherst residents who might otherwise be forced to move out of Amherst. Sustaining a diverse population, many with long term roots Amherst, is a vital aspect of community preservation.

1. Description of funding needed:

This request is for \$15,000 to to create the Amherst Renters Emergency Fund for low/extremely low-income families at-risk of homelessness as a result of eviction by property sale and/or dramatic rent increases by private property owners that exceed local and federal

Fair Market Rates for rent subsidies in the Amherst region. This has recently occurred in Amherst with the sale of Echo Village Apartments on Gatehouse Road. The Amherst Renters Emergency Fund will provide urgent and immediate assistance to families who are forced to seek new housing with little or no advance notice to save toward and pay up-front costs, including first month's rent, last month's rent, and security deposit (one month's rent) and, in many cases, a "finders fees" charged by property managers (typically one half of one month's rent).

These costs can represent nearly three times the monthly housing cost and allowance received by households who may be receiving a rent subsidy; federal and state housing subsidy programs do not provide funds beyond the family's first month rent. In the Echo Village example the prior owner had not required last month rent or security deposits leaving families unprepared for an unexpected move.

CPA funds will be combined with additional local funding from area organizations, residents and municipal funds, as available. The goal for 2013 is to raise \$50,000 in grants and private donations. The Amherst Renters Emergency Fund will be administered by Family Outreach of Amherst (FOA), and will be kept as a separate fund dedicated to assisting renters displaced from their housing and needing financial assistance to rent a new apartment in Amherst. Family Outreach of Amherst was established in 1989 and serves over 300 families in Amherst. It supports and assists the most vulnerable members of the community by working directly with families who are struggling and is ideally positioned to administer the fund. FOA provides case management, crisis intervention, home visits, information and referrals for families who to achieve greater independence and stability. FOA, a 501(c)3 non-profit organization, is an affiliate of the Center for Human Development (CHD) based in Springfield, MA.

All CPA funds and subsequent support raised will be pooled into this fund and distributed by FOA to qualifying low/extremely-low income households at risk of homelessness or displacement from the Amherst community due to circumstances beyond their control. This fund will be an on-going sustainable fund available immediately and in the future to

qualifying households. The funds currently necessary to meet the urgent need of the Echo Village residents may exceed available CPA funds and fundraising efforts in the current crisis. If this is the case, FOA and the Amherst Housing Authority will work with the displaced households to provide available support services. However, the fund will remain open to seek additional grants and private support in the community for distribution in similar emergency situations in the future.

There are currently 22 adults and 39 children who qualify as low/extremely-low income families that have recently received eviction notices as a result of the sale of the 24-unit Echo Village rental property in Amherst. This privately owned and managed property has no government subsidy or restrictions attached to it. Prior to the sale the owner had accepted rents within the allowed payment standards of the Amherst Housing Authority as set by HUD. In the instance of Echo Village households receiving rent subsidies who have fully met their rental obligations have received eviction notices and/or can no longer qualify to stay in their homes as a result of the anticipated rent increases and/or new property management income requirements. For these families, they must, in a very tight rental market, immediately seek alternative housing or risk homelessness for themselves and their children. Moreover, this pattern of eviction has occurred during the school semester when the majority of the children at risk are attending the Amherst Public Schools. For some long standing Amherst residents with children in the Amherst schools it may mean having to choose between losing their rent subsidy or moving to a community where rents are cheaper.

0. a. Documentation of cost estimates:

Rental housing subsidies are currently set at 120% of HUD Fair Market Rates in the region due to the significantly higher cost of housing in Amherst than other towns and cities in its region (Holyoke, Springfield, etc.).

Amherst Fair Market Rates, including utilities*:

2 bedroom: \$1,122

3 bedroom: \$1,400
4 bedroom: \$1,596

Example of anticipated increased rent for same apartments under new management at current market rate:

2 bedroom: \$1,250 (not including utilities)
3 bedroom: \$1,850 (including utilities)
4 bedroom: \$2,400 (including utilities)

What does this mean for households displaced from their current apartments?

For families seeking a 4 bedroom apartment that meets the subsidy requirement of 120% of Fair Market Value in Amherst, relocation will require approximately \$4,500 in up-front costs for first and last months rent, security deposit and “finders fee.”

For families seeking a 3 bedroom apartment that meets the subsidy requirement of 120% of Fair Market Value in Amherst, relocation will require approximately \$3,000 in up-front costs.

For families seeking a 2 bedroom apartment that meets the subsidy requirement of 120% of Fair Market Value in Amherst, relocation will require approximately \$2,400 in up-front costs.

The total funding need for immediate relocation expenses, as noted in the example above, may exceed \$50,000 this year. Eviction notices for the particular group of residents cited above as an example, have already been issued, effective March 31, 2013. Negotiations are underway with the new owners to extend tenancy through the school year (June), however their ability to relocate to new housing will depend upon both housing availability and immediate access to funds to secure a new lease/tenancy agreement. Our proposal, while of an extremely urgent nature for this particular group of residents, presumes that the relocation process for families facing eviction or displacement in similar circumstances will continue to occur in Amherst in the future and

additional funds will be necessary to meet the continued funding need.

0. b. Other sources of funding, e.g., grants, self-funding, fund-raising:
Our proposal seeks CPA funding to establish the Amherst Renters Emergency Fund and leverage these funds to apply for additional funding from municipal sources including the Community Development Block Grant (CDBG) program, private non-profit organizations, the faith-based community, and individual donors. Appeal letters and/or proposals will be sent to prospective donors locally, as well as agencies and private funding sources that provide emergency funds as identified through human service networks (currently being identified). Solicitations and proposals are already in progress, pending the establishment of the fund, and will continue intensely in the upcoming weeks and months.

c. Timeline on how CPA funds, if awarded, would be spent : Due to the urgency and funding necessary to meet the current need, all initial funds raised will be put to use immediately as families facing eviction secure new housing leases through the payment of last month's rent, one month's rent security deposit, and finders fees, when required. However, this fund will be on-going and intended to serve future housing needs of Amherst renters facing similar circumstances.

d. Timeline for spending funds; expectation for spending over multiple years: Any/all available CPA funds awarded in this funding cycle are anticipated to be spent within two - three months of the award. FOA is already providing case-work assistance to the majority of the 22 adults and 39 children currently housed at the Echo Village rental property next to its satellite office on Gatehouse Road. Any subsequent funding that may exceed the current need will be retained in the Emergency Renters Fund, administered by FOA, for the immediate use of qualifying families in urgent need of rental funds for relocation. While the current funding need represents an exceptionally urgent circumstance, we anticipate that circumstances in the future may result in additional funding requests to CPA within the regular funding cycle.

2. Urgency of the Project, if any: Current circumstances represent an **extremely urgent need** for funds to preserve and support community housing to prevent a high risk of homelessness for Amherst residents facing imminent eviction.
3. Estimated timeline from receipt of funds to Project completion: 2-3 months.
4. Acquisition or preservation of threatened resources: NA
5. Population(s) to be served by the Project: low/extremely-low income adults and children residing in Amherst.
6. How the Project is prioritized by requesting Town committees or commissions: **Extremely High Priority Project.** Representatives of the Amherst Housing Authority have met with administrators of Family Outreach of Amherst and are negotiating/assisting, to the extent allowed by local, state and federal policy, with the establishment of the fund, administrative requirements and support of this proposal. This proposal will also be presented to the Amherst Housing and Shelter Committee,, however the time for submission of this emergency request did not allow sufficient time to appear before that committee prior to submission to the CPAC.
7. Other information regarding the Project deemed necessary for CPAC: Family Outreach of Amherst and the Amherst Housing Authority recognize that the extremely urgent nature of this request places it outside of the normal funding process of applying for CPAC funds. We are grateful to the CPA committee for your consideration and acknowledge the extraordinary nature of our request and the additional time and consideration that it imposes upon the committee.
We appreciate any/all efforts that you may be able to make on behalf of the Amherst population at-risk for whom these funds will greatly benefit and respectfully request that our proposal be included in the upcoming warrant to be voted on at Town Meeting this spring.

* Source: Amherst Housing Authority