

John Long

From: Ben Ewen-Campen <benforward3@gmail.com>
Sent: Wednesday, May 02, 2018 8:39 AM
To: John Long; David Tisel
Subject: Fwd: Testimony for 4/30 hearing on Housing Crisis

Dear John,

This email is a public comment on item 205334 - thanks very much.

----- Forwarded message -----

From: David Tisel <davidtisel@gmail.com>
Date: Mon, Apr 30, 2018 at 7:02 PM
Subject: Testimony for 4/30 hearing on Housing Crisis
To: "boardofaldermen@somervillema.gov" <boardofaldermen@somervillema.gov>

Good evening,

I had to leave early from tonight's hearing, but I wanted to share with you written testimony about the housing crisis in Somerville. I am writing my Master's thesis at MIT in Urban Planning on Tenant Displacement in Somerville. Below, submitted as written testimony, are the first few pages of my thesis.

Best,

David Tisel
[5 Lester Terrace Somerville](#)

Charline Lake has not unpacked her boxes.

It has been more than a year since she moved to Arlington when her apartment building in Somerville was sold. The new owner, Dr. Rizkallah, forced the tenants out by doubling the rent, harassing tenants with unannounced construction and utility shutoffs, and evicting the rest. Today, "The Chadwick," the 25 unit apartment building at 131 Orchard St., is empty except for the construction workers hauling out debris.

"When the sale was final we were informed that it had taken place and Dr. Rizkallah sent us letters saying the rent would be more than doubling in the next year[...] He wanted us out of there. It was just hell. Noise, pollution, workers tromping around with no warning, parking pickup trucks on the lawn, tearing out all the landscaping because it was all going to be replaced. It was like living on a construction site[...] I was really really upset. On behalf of everyone else in the building. I mean there were people in the building who were very low income. Some disabled. Many had been there for a very long time. And it just felt like Stormtroopers were coming in."

After 14 years of living at The Chadwick, Charline, now 73, searched for a new place in her neighborhood, Davis Square, and then in every other neighborhood on the Red Line, but could not find anything remotely affordable to rent for her retirement and social security income. With severely impaired vision, Charline prefers not to drive, especially at night. So she moved to Arlington, which is on a bus line that connects to Davis Square, but she has found that bus to be extremely unreliable and frustrating. When I asked Charline about her new new neighborhood, she told me:

"I hate it. I loathe it. There's no street life. There's no street musicians. There's no panhandlers, there no young people, there's no life. Every time I come to Davis Square, I think, I'm home. I do not feel at home there [in Arlington]. I moved a year ago March 1st and I have not unpacked my boxes. I don't want to. I don't live there. I sleep there, I stay there, and I know I don't have a choice about it. But I don't live there. I don't want to unpack. My friends say I would feel happier if I would unpack. And I say: would I

¹ Interview with Charline Lake. 4/22/2018.

Page 4

really? I might unpack eventually... or not. I'm 73—ultimately I'll die. It will be easier if I'm all packed up when that happens. I mean I wouldn't mind finding my toaster but hey."²

Winning the Lottery for an Affordable Home

Somerville is a city of renters, but not for renters. "In Somerville, fully two-thirds (67%) of households are renters, nearly half of whom (44%) experience *housing costburden*, meaning that they pay more than 30% of their gross household income on housing expenses."³ The median Somerville rent,⁴ not including heat or utilities, represents 44% of the median Somerville household income,⁵ and 100% of the income of tenants working full time at \$15 per hour.

In 2015, the City of Somerville created a Sustainable Neighborhoods Working Group to study the housing crisis in the city and recommend policy solutions. The working group's final report found that 74% of Somerville renters would not be able to afford to rent another apartment in the city if they had to leave their current apartment.⁶ Furthermore, "the vast majority of lowincome families, who in turn comprise the vast majority of Somerville Public School students, are at risk of displacement or extreme cost burden."⁷

The Metropolitan Area Planning Commission (MAPC) defines "displacement" as occurring on a systemic level "when outmigration exceeds the natural turnover rate because residents who otherwise would not consider moving feel pressure to do so due to changes in the cost and availability of housing."⁸ Normal renter turnover occurs in regularly functioning housing markets, and individual tenants often choose to move without being "displaced." Tenant displacement from hot housing markets occurs when tenants cannot pay rent increases, are evicted, or choose to leave because of landlord harassment.

In 2015, Somerville commissioned a housing needs assessment as part of its implementation of inclusionary zoning for affordable housing. This assessment mirrored the findings of the Sustainable Neighborhoods Working Group, finding that "the challenges facing low income households in the rental market are likely to intensify, given recent rent increases that have led to a monthly affordability gap over \$1,000 for renter households with incomes under 80% of AMI and the fact that such households outnumber the supply of affordable units by 7,649."⁹

² Interview with Charline Lake. 4/22/2018.

³ Metropolitan Area Planning Commission (MAPC). "The Dimensions of Displacement: Baseline Data for Managing Neighborhood Change in Somerville's Green Line Corridor." 2014.

⁴ Data from Zillow. Accessed 4/23/2018. <https://www.zillow.com/somervillema/homevalues/>

⁵ Data USA. Accessed 4/23/2018. <https://datausa.io/profile/geo/somervillema/>

⁶ City of Somerville. Sustainable Neighborhoods Working Group Report. 2015.

⁷ Sustainable Neighborhoods Working Group Report 2015

⁸ MAPC 2014

⁹ LDS Consulting Group. Somerville Housing Needs Assessment. 2015

Page 5

The Somerville Community Corporation reports that over 3400 individuals applied to participate in a housing lottery for 35 new affordable rental units at 181 Washington St. Eight of these units will be affordable to families at 30% of the Area Median Income (AMI), and the remaining 27 will be affordable at 60% AMI. All of the units will be

permanently affordable with predictable and stable rent increases. Approximately one in a hundred applicants will be accepted. For renters, finding housing stability in Somerville is literally winning the lottery.

Transit Oriented Displacement

In 1990, the Commonwealth of Massachusetts agreed to extend the MBTA Green Line from Lechmere in Cambridge to College Avenue in Medford—adding five stations in Somerville—as part of a legal settlement with the Conservation Law Foundation over air quality remediation from traffic rerouted through Somerville during construction of the central artery tunnel (“The Big Dig.”)¹⁰ 28 years later, in 2018, the project has begun construction and is expected to be complete in 2021. This project will bring rail transit to Union Square, East Somerville, Gilman Square, Magoun Square, and Ball Square, which has had and will continue to have a drastic impact on the housing market in these neighborhoods.

¹⁰ AS GREEN LINE EXTENSION MOVES FORWARD, LOCALS HOPE FOR EXPANSION INTO MEDFORD. Joe Walsh. Tufts News Daily. 1.18.2018.

Page 6

This will not be the first time that rail transit expansion changed the character of a Somerville neighborhood: in 1984, the MBTA Red Line station was opened at Davis Square, precipitating an increase in rents and home values in the decades since. The increased property value appreciation accelerated further when Cambridge lost rent control in 1995 after a statewide ballot initiative, boosting demand for nearby housing options.¹¹ Few targeted actions were taken to create or preserve affordable housing in Davis Square, or to create any new housing near the new station. Today, Davis Square home values and rents are the highest in Somerville.¹²

In a 2015 report, MAPC projected that neighborhoods near the planned Green Line Extension (GLX) stations will face similar challenges:

“We project that between 740 and 810 lower income households may become newly cost burdened, if the balance between supply and demand along the GLX matches that near the existing Red Line stations. Second, conversion of two and three family homes to condominiums may displace up to 475 renter households. Third, another 245 households in the GLX corridor face the very serious prospect of expiring affordability restrictions by 2020. Finally, we found that property tax increases, fortunately, will not be a significant source of displacement risk.”¹³

Without targeted measures to create and preserve affordable housing in neighborhoods around future stations, the Green Line Extension will be an engine of tenant displacement.

Unfortunately, Matt Levallee will not be taking the Green Line to work. He used to live at 410 Medford St. in Winter Hill, a short walk from the planned Lowell St. station. After living there for six years—“the longest I have ever lived in one address”—he was served a notice to quit by his landlord.¹⁴ “There was no communication before the notice to quit. There was an inspection from the bank three or four months before, but when I asked if the inspection would lead to a sale of the building, [the landlord] said no.”¹⁵ Matt scrambled to find a new place and ended up moving to Somerville’s far West side, “in a four bedroom apartment with strangers.”¹⁶

“I was distressed. I have really enjoyed living in this town, it’s very important to me and I have a lot of social capital built up here and I’m just sentimental person. The prospect of

¹¹ Teitell, Beth. Boston Globe. “Somerville worries it’s growing too hip.” August 23, 2013.

<<https://www.bostonglobe.com/lifestyle/style/2013/08/22/somesomervilleworrybecome toohipforitsown-good/Ibas2h5Q5p9MT182qQ2OwK/story.html>>

¹² Trulia Heat Map. Accessed 4./26/2018. https://www.trulia.com/home_prices/Massachusetts/Somervilleheat_map/ ¹³ MAPC 2015

¹⁴ Interview with Matt Levallee. 4/20/2018 ¹⁵ Interview with Matt Levallee. 4/20/2018 ¹⁶ Interview with Matt Levallee. 4/20/2018

being displaced to a place further away from my employment was disturbing and the prospect of being displaced from my friends was distressing. It was a small miracle that I managed to stay in the city."¹⁷

After Matt was forced to leave, the owners sold the building at [410 Medford St.](#), and Matt's old one bedroom apartment with an office is now a three bedroom apartment "with much higher rent."¹⁸

Supply and Demand

The common sense "solution" to the problem of housing affordability is to increase the supply of housing. Based on housing demand projections from the Metropolitan Area Planning Council (MAPC), the Somerville Comprehensive Plan for 20102030 sets a housing production goal of 6000 units, 1,200 of which to be permanently affordable by 2030.¹⁹

But housing production alone will not stop tenant displacement. In the absence of government intervention, low to moderate income renters will continue to be pushed from their homes, forced to move to locations farther from rapid transit, work, friends and family. In this majority renter city, social ties will fray, enrollment will fall at the Somerville Public Schools, and more transient, higher income renters will replace longtime tenants.

¹⁷ Interview with Matt Levallee. 4/20/2018

¹⁸ Interview with Matt Levallee. 4/20/2018

¹⁹ City of Somerville. Somervision Comprehensive Plan 20102030. 2012.

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Ben Ewen-Campen
Somerville Ward 3 Alderman
617-702-2613

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John Long

From: Ben Ewen-Campen <benforward3@gmail.com>
Sent: Wednesday, May 02, 2018 8:38 AM
To: John Long
Subject: Fwd: comment for public record regarding affordability in Somerville
Attachments: affordable housing testimony 4 30 2018.docx

Dear John,

The attached testimony is a public comment on item **205334**.

**Thanks,
Ben**

----- Forwarded message -----

From: Janine Lotti <jlotti@somervillecdc.org>
Date: Tue, May 1, 2018 at 11:44 AM
Subject: comment for public record regarding affordability in Somerville
To: "boardofaldermen@somervillema.gov" <boardofaldermen@somervillema.gov>

I gave public testimony last night at the meeting in the Aldermen's Chambers. However, I went a little over the time allotted, so I would like to submit the attached as written comment.

Thank you,

Janine W. Lotti

26 Eastman Road

Somerville, MA

(617) 733-2219

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Ben Ewen-Campen
Somerville Ward 3 Alderman
617-702-2613

Subscribe to the mailing list: <https://goo.gl/tffc49>

My name is Janine Lotti, 26 Eastman Road.

I am here tonight to provide three comments:

- 1.) **As a life-long resident of this City**, I have watched far too many friends of mine---and, now, of my daughters---leave because of the rising costs to live here. I grew up on Franklin Avenue in a home owned by my grandparents. My parents never managed to save enough to buy a home of their own. They relied on the relatively low rent my grandfather required from them to make ends meet. Sad to say that people like my parents---unless they are lucky enough to have family members who will charge low rents---would not be able to afford to live here now. I am lucky enough to live in the family home of my husband---also a life-long resident. The value of our house has continued to skyrocket over the years---not due to anything on our part. If the time comes when we are ready to sell that home, I would like to think that if we pay a transfer tax I could feel good knowing this fee will be applied to keeping the City I love affordable for anyone who wants to live here and become a part of this amazing community.
- 2.) **For two years now, I have been teaching First Time Home Buyer classes** once a month at the Somerville Community Corporation. We do our best to track when participants purchase a home. When a mortgage lender calls to request a certificate of attendance for the classes, we keep that data and use it to track purchases. In two years, 52 class participants have been able to purchase a home. Sad to say, that I can count on one hand the number of purchases within the City of Somerville---and two of those are because of deed-restricted re-sale units. It is unfortunate that most participants who come to the classes hopeful that maybe they can purchase here in Somerville end up purchasing outside of the City because of the unbelievably high sales prices and the competitive market. They go to other cities like Lynn, Saugus, Woburn, and Malden, or travel even farther to purchase as far away as the Berkshires.

3.) **Transfer taxes collected would be paid into the Somerville Affordable Housing Trust Fund. The Somerville Affordable Housing Trust exists for the purpose of helping to fund the development and protection of the stock of homeownership and rental housing in Somerville that is affordable to low- and moderate-income households, and assisting to assist eligible persons in obtaining and remaining in such housing.** The Trust is governed by extensive guidelines which, among other topics, address the goals and eligible purposes of the Trust Fund, income eligibility criteria, the allowed uses, how people and organizations can apply for assistance from the Trust and how decisions shall be made, and how the members of the Trust who make those decisions are to be appointed. Thinking about my experiences as a life-long resident and my experiences in the last two years with potential homeowners, I heartily support enacting this fee. It is needed.

John Long

From: Ben Ewen-Campen <bewenca1@gmail.com>
Sent: Thursday, May 03, 2018 8:52 AM
To: John Long
Subject: Fwd: Affordable Housing Testimony

Dear John -

Another public comment on the 4/30 HCD public hearing. Thanks!
Ben

----- Forwarded message -----

From: Joe Beckmann <joe.beckmann@gmail.com>
Date: Thu, May 3, 2018 at 7:28 AM
Subject: Affordable Housing Testimony
To: Ben Ewen-Campen <bewenca1@gmail.com>

Alderman Ewen-Campen,

Since your Housing Committee meeting on Monday evening, it's come to my attention that my case might have been misunderstood. To summarize: my background extends to the founding of CDC's and CAP's in the 1960's, including work for several years with the Alinsky's and their closest partners in founding ABCD and CDC's in Charlestown and Roxbury under the Johnson Administration. In other words, I know closely the mission of nonprofit anti-poverty organizing and delivery of services.

In the past four years, I have only seen that initial mission expressed by *city workers and city departments* involved in housing reform and updating. Since 2015, I have sought contractors to update my front porch and other aspects of my two family, bought and last updated in 1995. Then I worked with several contractors through YouthBuild/JustaStart in Cambridge, who identified them and helped me organize the work and made my house habitable since then. Even then, I also worked with Mayor Capuano's office and became a good friend of Paula Stuart, his Director of Housing. That is why I was a member of his Affordable Housing Task Force, where we "invented" the transfer tax.

My continuing problem is with SCC, which also reflects my experience with some of their housing associates in Cambridge from 1993-5, when I chaired the RCCC Tenants' Association. At that time that CDC had tried to raise rents to finance renovation, when they had had funding a decade before and only managed to update Section 8 tenants. Under Rent Control, as our attorneys from Harvard Law helped them discover, you had to finance renovations independent of the tenants, and raise rents to pay off that financing. They took us to the Rent Board, and failed. They then took us to the Federal Bankruptcy Court, where their attorney was also defending Eastern Airlines. We then discovered a surprising parallel reflected their then President's networks, and that he, as a resigned French aristocrat, was a member of the only aristocratic family to defend Alfred Dreyfus in the [Dreyfus Affair](#), and the RCCC attorney was being paid by the heiress to the then Dreyfus Fund who then lived at [1010 Memorial Drive](#). That is how I got to know Mayor Capuano, when I moved to Somerville. We won in Cambridge, but only against some of the most well-intentioned and elite reformers in Massachusetts, so I wanted to avoid that "silo effect" when I moved to Somerville.

Yet, when I became a senior on a limited income, I discovered the Somerville anti-poverty infrastructure was as per-judgmental as their models in Cambridge. The ONLY housing advocates on whom I could count *were those in the City's Housing Department*, who negotiated deleading and a new furnace as part of a deep renovation, and asked for bids for porches, bathroom, kitchen, heat pump and roof updates. Seeking bidders through the logical nonprofits - SCC and CAAS - was completely, and repeatedly, fruitless in spite of well meaning staff who, it seems, were exclusively focused on their own priorities. Finally, as I testified Monday evening, last month I contacted [HomeAdvisor](#) online,

identified five contractor bidders, two of whom have since filed in response to the Housing Department's specifications. As a senior with a limited income, I am appalled at the problems I have had with agencies founded to help, and surprised at the dramatically helpful city departments those nonprofits were founded to supplement. Last week I had a sixth contractor do a site evaluation with your city staff member, Ken Joyce, and expect to have the final three bids required for action in the next few weeks.

My case is not unique. As a volunteer at the Council on Aging, I've come to know many others with similar demographics, only to find parallel histories of high quality city work and very low, very slow, and often inept nonprofit advocacy. Seniors are the fastest growing demographic in the city, of whom 2117 of us own housing. The best of intentions do not equate to the best of client service, and the city far exceeds their nonprofit advocates in listening, following up, and completing tasks on budget and on schedule.

That was my case Monday and remains my case today. Across many social services, the city is far more attentive, far more flexible and adaptable than the nonprofit advocates observe. I am meeting in an hour with one of the city consultants on the Barr Foundation project at Somerville High School. Their firm, [Consensus Building Institute](#), is helping create a Community Benefits Agreement with parents and neighbors at Gilman Square, precisely as the LOCUS Committee, the Civic Advisory Committee, and the Union Square Neighborhood Council initially intended. And my mission is to engage that Institute in helping the city craft a new pilot agreement with Tufts, to support school improvement through collaborative transportation planning, much as I advocate for Union Square with developers chosen to ... collaborate.

My message, therefore, is to be careful of your allies. Their missions may be well intended, but are much too often exclusionary and focused on outcomes that may sacrifice exactly the community building they were founded to accomplish.

John Long

From: Ben Ewen-Campen <benforward3@gmail.com>
Sent: Friday, May 04, 2018 11:38 AM
To: John Long
Subject: Fwd: Housing and Community Development Testimony
Attachments: testimony_scotthayman_Housing and CD.pdf

Public comment from Scott Hayman on item

205334

thanks!

Ben

----- Forwarded message -----

From: **Scott Hayman** <shayman@somervillecdc.org>
Date: Fri, May 4, 2018 at 11:11 AM
Subject: Fwd: Housing and Community Development Testimony
To: "benforward3@gmail.com" <benforward3@gmail.com>

Hi Ben. See attached testimony.

Scott

Scott Hayman

SCC

Cell: 508-635-7109

----- Forwarded message -----

From: Scott Hayman <scotthayman@gmail.com>
Date: May 4, 2018 11:01 AM
Subject: Housing and Community Development Testimony
To: Scott Hayman <shayman@somervillecdc.org>
Cc:

--

Scott Hayman

508-635-7109

scotthayman@gmail.com

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Ben Ewen-Campen

Somerville Ward 3 Alderman

617-702-2613

Testimony- April 30, 2018

Alderman Ben Ewen-Campen, Chairperson.

Housing and Community Development Committee, Board of Alderman

Thank you for the opportunity to testify about the critical need for more affordable housing in Somerville. My name is Scott Hayman. I have been working in this community in my capacity as Somerville Community Corporation's Real Estate Director for approximately 4.5 years. This work involves the development and acquisition of affordable housing as well as asset management of SCC's portfolio of rental properties-- 100% of which are affordable and deed restricted.

Our portfolio includes 264 units of housing ranging from Single Room Occupancy housing, housing for homeless families and individuals, and multi-family housing. Much of our portfolio was newly constructed by SCC and financed with a mix of federal, state and local debt and public equity financing in combination, in some cases, with Federal and State Low Income Housing Tax Credit equity.

In my tenure I've overseen the financing and construction of the third phase of Saint Polycarp Village, 31 units, and our most recent project, Union Square apartments at 181 Washington Street—35 units. We are also 2/3 complete construction on the redevelopment of the former East Somerville American Legion Post building as 11 condominium units- eight of which will be sold as affordable homeownership opportunities. Also during my tenure, we launched the 100 HOMES Program, which, to date, has resulted in the purchase of 45 units of existing housing throughout Somerville's neighborhoods in properties ranging in size from two family homes to a 16-unit apartment building. The first 100 Homes purchase was made approximately 3 years ago and the most recent purchases were in January of this year. It should be noted that SCC pays approximately \$416,000 per year in Real Estate taxes to the City of Somerville. Our newest project, Union Square apartments pays \$1,900 per unit/per year in taxes while our 100 Homes portfolio, pays slightly over \$2,000 per unit/per year in real estate taxes.

So here is a review of some key information that demonstrates the urgency of the need for affordable housing in Somerville.

In the Fall of 2013 we marketed the third phase of Saint Poly Carp Village, a 31-unit building, and received 1,100 applications. **This equates to 1 unit available for every 35 applicants.**

In the Spring of 2016 we marketed our 35 Union Square Apartments and received 3,400 applications, **which equates to 1 unit for every 97 applicants.**

In the final quarter of 2017 we marketed 5 units for Homeless Families and individuals and received 1,600 applications. **This equates to 1 unit available for every 320 applicants.**

It is abundantly clear to us that there is an urgent need for affordable housing and abundantly clear there is a need for housing at all levels—market or affordable.

What are the challenges:

A Huge demand for housing fueled by Somerville's proximity to great jobs and higher education, and because it's a great place to be, continually drives up the price that renters or homebuyers will pay for rent. The demand, combined with a finite supply of housing units, and a scarcity of developable land for new housing development makes Somerville extremely attractive to income property investors, who will generally make purchases with cash and take their money out later once a property is re-positioned. We are a target market for investors of all types!

Interestingly, both the most privileged and the least privileged seem resigned to the same "room-mate" style housing, whether living in higher-end 4-bed, two-bathroom apartments or old and tired housing with locks on each bedroom door. Paying upwards of \$1,000 per bedroom to stay in Somerville is not uncommon.

Just last week I viewed a 3-unit property for a potential 100 Homes purchase. The asking price is 1.8 Million or \$600,000 per unit. The property was nearly gut renovated with all new systems, treatments and fixtures. Each unit is fitted out with 2 or 1 ½ bathrooms and is under lease for nearly 1,000 per bedroom. The developer did a very good job with the rehab and the units certainly meet a need for a relatively transient population pursuing higher education or starting off as an urban professional earning \$100,000 per year. In fact, the housing burden for this urban professional in this situation would only be 15% of their total annual income—which is probably necessary for them if they are still paying off undergraduate and graduate school loans. The real problem emerges when and if this person wants to put down permanent roots in Somerville and possibly have a family. Traditional families with one or two wage earners only are left in the dust with this scenario.

My experience in trying to purchase 100 Homes properties is to be ready for the following:

- locks on bedroom doors in some cases
- asbestos snow-man boilers and pipe wrap,
- no common or house electric meters,
- aged gas and oil-fired heating systems,
- finished basements once or currently used for extra apartment
- very few bed frames and sparse furnishings (people preparing to leave at the house is being sold)
- Suitcases
- Very little common area
- Clawfoot tubs with shower rings
- Be ready to view a property on a Thursday, Friday, Saturday or Sunday and then submit an offer by the following Wednesday
- Be ready to make offers with little to no contingencies such as securing financing (be a cash buyer!)

Finally, Danny LeBlanc, SCC's CEO, submitted testimony about the cost to make housing affordable. So I won't belabor this—but my 100 Homes experience indicates that the major variable (acquisition costs) continues to rise and have risen steadily since starting the 100 Homes program.

I would be happy to talk about this or submit additional testimony after this meeting if this is helpful to the Alderman.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Hayman", with a long horizontal flourish extending to the right.

Scott Hayman

Director of Real Estate

SCC

John Long

From: Mark Alston-Follansbee <maf@shcinc.org>
Sent: Friday, May 04, 2018 11:56 AM
To: Ben Ewen-Campen; John Long
Subject: Somerville Homeless Coalition notes from the Affordable Housing Crisis meeting April 30

Hello, my name is Mark Alston-Follansbee, I'm the executive director of the Somerville Homeless Coalition, and I can't afford to live in Somerville. Thank you for holding this meeting and addressing this very important problem. I've worked with homeless people for over 30 years; when I started we could always get people an apartment in Somerville. When SHC started our housing program in 2001 we had landlords calling us to rent us apartments. No longer. I worked on SomerVision for two and a half years and I worked on the Mayor's Sustainable Neighborhood Committee for nine months. Two years ago we gave the City recommendations that could help create affordable housing and hopefully slow the rapid gentrification and displacement we are now seeing in East Somerville. My fear is that it may be too late for our community so I urge you all to do everything you can for more affordable housing in Somerville. Part of the tragedy here is that in 1989 the Affordable Housing Task Force made a series of recommendations that would have alleviated some of the stresses we see now. Please act before it is too late. Somerville should not be a place where the only way a lower-income person can live here is with a housing subsidy.

I think it's important to talk about what affordable housing is. Lots of times when we talk about affordable housing we're talking about people at 80 to 120% of the average median income. The people we work with -- at less than 30% of AMI -- can't qualify for an 'affordable apartment'. When Avalon Bay was opening the City had a lottery for the affordable units; one of our guests at our Adult Shelter had his name drawn and he thought his problems were over. But when he went to qualify at Avalon he didn't have enough income to pay for the reduced rent and his application was denied.

Affordable housing is often not affordable for our clients and people at the bottom of the economic ladder. One way to ensure low-income people have an opportunity with inclusionary housing units is for the City to have subsidies that can cover the difference between what the rent is and whatever 30% of the person's income is. That way everyone eligible has an opportunity in the City's lotteries.

Over the years the Somerville Homeless Coalition has met the need in our community by opening shelters for individuals and families, taking over Project SOUP, the largest food pantry in Somerville, started case management programs for everyone homeless in Somerville, created permanent housing for our clients (we now have 154 families and individuals in permanent housing), and finally working to prevent people from becoming homeless. Because if they become homeless it's so difficult to get back into permanent housing and the cost -- both emotionally and physically -- for the children is too great. The state spends an average of \$38,000 a year to put a family in a homeless shelter. We can take the same family and put them in one of our apartment with all the support they need for less than \$20,000 a year. But last year the average cost for us to prevent a family from homelessness was a little over \$1,000. We're not solving all their problems, they still live in poverty, it's a bandaid. But what a difference in cost; last year we prevented 287 people -- families and individuals -- from becoming homeless.

Another important point on our prevention work is that the majority of the people we work with live in subsidized housing -- they are already only paying 30% of their income for rent. We need to look at the realities of poverty and how so many people are living on too little. There are almost 49 million Americans living in poverty and half of those live in deep poverty. Imagine a family of four living on \$11,000 a year. Thankfully more people don't fall into homelessness (around 2.5 million people a year, most for a brief time) because we don't have the resources to help everyone coming to us now. Housing is the answer but we need to think about what it takes -- how much money -- a family needs to be stable.

I'd like to now introduce our Director of Programs, Lisa Davidson, to share some data from our work.

Lisa Davidson: I'd like to thank the committee for looking into the housing crisis in Somerville. SHC receives funds from HUD to rent apartments in our community. One apartment on Highland Avenue, a one bedroom, has had three different owners since 2010. In 2010, the SHC was paying \$1,128 for the unit with heat and hot water included. Today the same apartment costs us \$1,885 a month. That is a 40% rental increase! SHC would not be able to continue renting that apartment and the other eight apartments in the building if it wasn't for the funds received from the CPA. HUD will ONLY reimburse the FMR which is \$1,421 for a one bedroom, all utilities included. SHC has lost a total of nine apartments, during the same time period, because the rent increase was more than we could pay. Our new rental units are either rented outside of Somerville or at much higher asking rents. Thank you.

--

Mark Alston-Follansbee

Executive Director

Somerville Homeless Coalition

617-623-6111

maf@shcinc.org

"Working to put ourselves out of business since 1985"

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