Community Preservation Committee        April 21, 2020        5:03 p.m.
Present: Julianne Orsino, Chair; Roberto DiMarco, Jnna Babitskaya, Lisa Sulda, Frank Molis, Kalil Kaba, Kenneth Antonucci. (Cameron Layne jointed the meeting at 5:41 p.m.)

Chairman Orsino called the meeting to order at 5:03 p.m. She noted that the Committee had met remotely for the first time last week and was meeting again this week to review the MRA’s application for funding of a Rental Assistance Program. She said that the feedback she had gotten from last week’s meeting was that they had a tendency to talk over each other; she said she believed that was, because the Committee was used to sitting around a table and cueing off each other’s comments. But, she said, this forum was a bit different, so she would like to use a round-robin approach, calling on each member in turn. Committee members agreed to this approach.

Chairman Orsino then read the remote meeting notice into the record as follows: “In accordance with Governor Baker’s 3/12/20 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor’s 3/23/20 Revised Guidance on Order by the Governor Prohibiting Assemblage of More than Ten People, this meeting will be conducted via remote participation. In person attendance by members of the public is prohibited, and all effort will be made to permit public attendance of this meeting, in the manner specified below, via remote access by internet, telephone, and if available via public broadcast of the meeting by Malden Access Cable Television on public access television channels. Public access will also be provided by posting draft minutes, and/or a transcript, recording, or record of the meeting on the City of Malden website at cityofmalden.org as soon as practicable after the meeting.”

The facebook participation and recording functions were started and attendance was taken.

REVIEW AND APPROVAL OF MEETING MINUTES FROM APRIL 13, 2020

After Chairman Orsino provided members with the opportunity to comment on minutes, Mr. Antonucci made a motion to approve the minutes. The motion was seconded by Mr. Molis.

ON MR. ANTONUCCI’S MOTION, SECONDED BY MR. MOLIS, TO APPROVE MINUTES OF THE MEETING OF APRIL 13, 2020
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MINUTES APPROVED.

REVIEW OF CPC FY2020 APPLICATION OF MALDEN RENTAL ASSISTANCE

Link to application: https://cityofmalden-my.sharepoint.com/:b:/g/personal/maldencpc_cityofmalden_org/EQw6MUXNMdtErMqgL0PA7-AB1IEUGTLku-ETEDGorejAQ?e=PGVUeK
Chairman Orsino asked if members had received a copy of the application and had the opportunity to review it. All indicated that they had.

She noted that Alex Pratt from the MRA was available to discuss the application. She asked how members would like to proceed.

Mr. DiMarco said that he thought they would benefit from a brief presentation from Mr. Pratt.

Chairman Orsino recognized Mr. Pratt and asked that he provide an overview of the proposed program.

Mr. Pratt thanked the Committee for the speed with which they had moved on this application. He said that they expected that thousands of households would need assistance in the next month and they were looking for funding to provide that assistance. He said that $500,000 would be made available through CDBG funds, and that the MRA was asking for an additional $250,000 from Community Preservation Funds. He said those funds would be used to help between 100 and 135 low income households. He said that rental assistance programs got technical very quickly, so work would be contracted to housing service providers who would review the applications. The MRA would allow applicants to submit initial requests to the MRA. The MRA would then likely employ a lottery system in which the winners would be referred to a housing service provider for an in-depth review of the application. Reviewed applications would then be returned to the MRA for final review and approval and a check would then be cut to the landlord. He said that this was similar to the rental assistance program already being run by the MRA. He said that, in the current circumstances, a larger scope was needed as well as a nexus to Covid 19.

Ms. Orsino thanked Mr. Pratt and recognized each committee member in turn to provide them the opportunity to ask questions of Mr. Pratt.

Ms. Babitskaya said that she would like to see a detailed budget, as well as more details on the proposed lottery.

Mr. Pratt said that the budget currently anticipated was $750,000; $500,000 in CDBG funding and $250,000 in CPC funding. He said that the goal was to get as much as possible into direct program funds. Therefore, the goal was to keep administrative costs to a minimum. He said that the housing service providers would have to be paid but that the MRA would be watching their administrative costs closely. He said that the assumption was that in most instances the benefit would be one month’s rent but that they wanted the flexibility make payments of up to three month’s rent in certain cases. He said that the goal was to serve the largest possible number of people and that the MRA was committed to administrative costs that would not exceed 15%. Ideally, they would like it to be even lower, but it would be no more. He said that
Ms. Babitskaya asked who the translators were.

Mr. Pratt said that the MRA had a translation service and would continue to use that service for this program. But, he said, housing service providers would be doing the intake and would have to provide their own services on that level.

Mr. DiMarco said that he understood that there were no final numbers yet and that there would be an effort to contain administrative expenses. He asked if the existing MRA staff would fulfill the requirements of this new program.

Mr. Pratt said that there would be no additional jobs would be added at the MRA as a result of this program. He said that administrative costs on the MRA side would be on applications, translation and similar costs. He said that the MRA financial team bills based on an hourly basis to the program they are working on, so there might be slight administrative costs there. He said, too, that existing staff might be moved from one program to another. He said, for example, that it was difficult, at this point, for the people in the Housing Rehabilitation Program to conduct inspections, so they might be temporarily transferred to the Rental Assistance Program.

Mr. DiMarco asked if there would be any inspection criteria in the Rental Assistance Program to assure that apartments meet the state baselines for habitability.

Mr. Pratt said that the challenge was inspecting approximately 400 units in the midst of a pandemic. He said that the one caveat was that certain federal funds required that a lead check be done, but he was not sure if that would change as well. But, he said, generally speaking, inspections would slow the process and add significantly to overhead costs.

Mr. DiMarco asked if they had considered noticing landlords that they might be subject to inspection any time in the next 12 months.

Mr. Pratt said that they would not be able to discriminate against a tenant based on who the landlord is. He said that a similar question had come up with the City Council last week. He said that in that instance the question was whether or not the program could be restricted to mom-and-pop owner-occupied units rather than large landlords. He said that can’t be done. But, he said, they would keep track of housing conditions and if they heard of an issue, they would share the concerns with the Building Inspector.

Mr. Molis asked if they would be drawing down on the CDBG money first.
Mr. Pratt said that he expected that the two sources of funding would be drawn down at the same rate. He said that he was not sure, at this point, which source would become available first but they wanted the program providing assistance as soon as possible.

Ms. Orsino asked if he was saying that they were not really sure when they expected to get the CARES funds.

Pratt said that those funds were approved but they were not sure at this point when they would become available. He said that they had to make an amendment to their Action Plan, which was the current year’s budget. The amendment required the other seven towns in the Housing Consortium to submit their amendments at the same time. The last one to be done with their amendment would determine when the rest of the communities could submit. He said that, once all budgets were amended, the application could be submitted to HUD for review. He expects that review would be expedited. He said that, obviously, they would like to see all that happen as soon as possible.

Mr. Kaba asked how people would know about the program – what kind of outreach would be done.

Mr. Pratt said that it would be posted on the city website, and information would be available in city hall. He said that, although he couldn’t make this decision, it is possible that it might be the subject of a reverse 911 call. He said that they were committed to making the program equitable and the wanted to be sure that everyone had the opportunity to apply.

Ms. Sulda asked how many total households were expected to apply.

Mr. Pratt said that it was hard to say for sure, but that the expectation was that it would be in the thousands, rather than the hundreds.

Ms. Sulda asked how long they expected the program to continue.

Mr. Pratt said that they would continue until the money ran out. He said that they expected that would happen at the end of May. He said that there would be a second round when more funds became available.

Ms. Sulda asked if he could share information on the housing service providers they were talking to.

Mr. Pratt said that he could not prejudice the procurement process. He said that currently the MRA was working with Housing Families and ABCD, among others. But, he said, the bidding
would not be limited to those providers and that the MRA would be seeking to share the information with any qualified provider.

Ms. Sulda asked if the program could be structured such that CPC funds provided only direct assistance and that all administrative costs be charged to CDBG funds.

Mr. Pratt said that, ideally, administrative costs would be shared by the two funds. He said that helped because there were caps on the administrative and overhead costs under CDBG. He said that the housing service providers’ overhead is different from the MRA’s administrative costs. But, he said, the goal was for as much assistance as possible be made available to tenants and that they would be looking for low administrative costs from the selected housing service providers.

Ms. Sulda asked if documentation would be required to determine eligibility.

Mr. Pratt said that it would. He said that it would be the same as what is required for standard rental assistance programs: verification of income, proof of a lease and rent arrearages, and whether or not other sources of assistance were being received. He said that people without other sources of assistance would receive heavier weight in the lottery.

Ms. Sulda said that she understood that assistance could not be denied to tenants of larger landlords. But, she asked, could tenants of smaller landlords be given priority in the application process.

Mr. Pratt said that, if they did that, they ran the risk of violating fair housing laws. He said it was tricky and could present liability for the program. He said that priority was still a material benefit available to one party and not the other. But, he said, available assistance would be capped at fair market rent, rather than the full rent. So, they would not be rewarding landlords who were overcharging. He said that he believed that the Mayor would also be asking larger landlords to be part of the team and provide some sort of discount to their tenants during this time.

Ms. Sulda asked if all landlords of tenants participating in this program would be asked to discount rents.

Mr. Pratt said that was done in the regular CDBG program. But that the challenge here would be having that conversation with 400 landlords. And, he said, if the landlord refused, that would be disadvantaging the tenant for something they had no control over.

(At this point, Cameron Lanye joined the meeting.)
Ms. Sulda said that she disagreed – she thought that this would be the perfect time to have that discussion with landlords.

Ms. Sulda asked why the program was not providing counselling on other services

Mr. Pratt said that the current programs did not have the capacity to do that – it would result in a significant increase in overhead.

Ms. Sulda asked if there was another way to provide that information to applicants.

Mr. Pratt said that he thought that there were a couple of options for getting that information out. One, he said, would be a flyer that provided basic information on services such as health care, SNAP, etc. He said that also, they were hopeful that once a resident has connected with a provider through this program, they will reach out to the same provider when they have trouble again.

Ms. Sulda asked how program activities would be tracked and reported.

Mr. Pratt said that the MRA would be collecting data on individual applications from the housing service providers. He said that providers would also be required to submit quarterly reports with information on individual cases as well as aggregate data, including information on race and ethnicity. He said that would enable the city to track the breadth and depth of diversity, which is particularly important in a community like Malden. And, he said that they would also be tracking funding closely. He said that he thought it made the most sense to provide that information at the end of the first round of funding, as that was when a clear picture of the level and type of need would emerge.

Ms. Sulda said that, with respect to applications, Mr. Pratt had reference the internet. She asked if there would be other avenues available, such as churches and community groups, for people who do not have access to the internet.

Mr. Pratt said that they definitely wanted to partner with community groups to get the word out. He said that, as a result of efforts around increasing response to the 2020 Census, the city had developed a strong list of community groups. He said that applications would be accepted by mail and that housing service providers would take applications over the phone. He said that they were still working on the details but that there would be a mechanism to allow for a variety of methods of application.

Mr. Antonucci asked about that status of getting housing service providers on board and the program up and running.
Mr. Pratt said that they were in the process of finalizing the RFP, which was being under emergency provisions to prevent the requirement that it be advertised in the Central Register for a full 30 days. He said that, although he could not speak to an exact timeline, the goal was for it to be done by the end of next week. He said that when the RFP was published, they would reach out to service providers with the information. He said that it was not appropriate for him to be talking with specific providers now, as everyone should have equal access to the information.

Mr. Antonucci asked if the 15% administrative cost was combined between the MRA and service providers and what was a standard administrative cost for service providers.

Mr. Pratt said that the MRA costs are direct costs. He said that it was hard to say with the service providers, as it depended on a lot of factors, but the expectation was that it would be within the 15% range.

Mr. Antonucci asked what was included in housing counselling.

Mr. Pratt said that counselling was not included in this program. He said that it included providing information on other forms of assistance, like Mass Health, SNAP, Affordable Housing wait lists, and things of that nature. He said that they would try to make that information available but would not be providing it as part of this program.

Mr. Antonucci asked if it was correct that there would be no initial requirement for inspection and if perhaps inspections would be done retroactively.

Mr. Pratt said that, if they heard of any problems with housing quality, they would be passed on to the Building Inspector, who was best equipped to deal with those issues. But, he said, routine inspections would not be a part of this program. He reiterated that the exception was certain federal funding sources that might require lead testing.

Mr. Antonucci asked if utility payments would be part of the program.

Mr. Pratt said that was more of an issue in winter months but programs sometimes assisted with outstanding utility bills. He said that he didn’t expect a lot of that, given the time of year, but that they wanted to keep the program flexible in case the need arose. He said that, if that was an issue with respect to use of CPC funds, those costs could be restricted to CDBG funds. But, he said, if you couldn’t afford to pay your utilities, you really couldn’t afford to be living where you were.

Mr. Antonucci asked if the first round of applications was expected to last one to three months.
Mr. Pratt said that it should be thought of as a financial round, not a timeframe. He said that the expectation was that payments would be made almost exclusively for one month’s rent but they wanted the flexibility to pay additional months for unusual and serious situations.

Mr. Antonucci said that, if they expected to have vendors by the end of the month and employ parallel use of funds, when were they anticipating the first invoice submissions and disbursements.

Mr. Pratt said that the tongue-in-cheek answer was “not soon enough”. But, realistically, they were looking at mid-May. He said that they were anticipating that CPC funds would be turned over to the MRA to be deposited in a new segregated account. He said that would enable the MRA to cut checks as soon as applications had passed review. He said that the MRA did not have the cash flow to front the money and there was a significant lead time already. He said that they did not want to add to that lead time by going back to the Controller or CPC to cut the check.

Chairman Orsino said that is the way it was done with ABC and Secure Start – the funds were allocated to the agency and the CPC was provided with back-up documentation relative to the use of the funds.

Mr. Pratt agreed, saying that they were asking the CPC to provide the funds up-front and the MRA would tell the CPC how the money was spent.

Mr. Antonucci asked for an explanation of the lottery, saying that it seemed to be at odds with prioritization.

Mr. Pratt said that it would work as follows: during the Round 1 application period, everyone who appeared to be eligible would be entered in a weighed lottery; those applications chosen from the lottery would be sent to housing service providers to collect documentation relative to eligibility (that would only happen if the application’s lottery number was called; this is a means of minimizing administrative costs); if the application made it past review by the housing service provider, it would be returned to the MRA for final review and disbursement of funds. He said Boston and Cambridge were using a weighted lottery in which the lottery was open to anyone but people not receiving unemployment would get extra weight, making it more likely that their applications would be chosen. He said that right now, they were working on an equitable system to do that.

Mr. Antonucci asked if the MRA would be conducting the lottery.

Mr. Pratt said that is what the thinking was right now and that was how Boston had handled it. But, he said, that was not set in stone.
Mr. Antonucci asked how many vendors the MRA would like to employ.

Mr. Pratt said that they were asking each vendor to provide their capacity. He said that he would be surprised if any one vendor was able to meet the required capacity. He said that vendors would be chosen based on capacity and set at a number that the MRA could manage. He said he expected that they would work with 2 or 3 – possibly 4.

Chairman Orsino asked if the MRA was attempting to co-ordinate with other communities to attain a load balance of work among housing service providers.

Mr. Pratt said that they could look at that but it was not incorporated in the application process. He said that the application asked capacity and how the program would be staffed. But if Medford is hiring, it doesn’t mean that that Malden can’t. But that is why they would be paying close attention to capacity.

Chairman Orsino asked if that provided an opportunity to leverage economics of scale, so there would be an opportunity to bring the overhead down because Medford and Malden were using the same housing organization.

Mr. Pratt said that was such a good question that he did not have an answer right now but would look into it. He said his initial thought was that he didn’t know how to do that with separate procurement processes.

Ms. Babitskaya asked if they planned on providing information about the program, required documents and other requirements in other languages to facilitate application.

Mr. Pratt said that the MRA would be looking to translate documents but hadn’t set in stone which languages they would be translated into. He said that he would expect that simplified Chinese would be one. For others, they would look at what the schools were doing, as well as reviewing census data relative to primary language. He said they would also be looking at how housing service providers intended to provide translation. He said language could not be a barrier to entry into the program.

Ms. Babitskaya asked that Mr. Pratt describe intended outreach efforts, specifically for people who did not have internet access – would they include MATV and local newspapers.

Mr. Pratt said that newspapers would definitely be included in outreach and he expected that MATV would, as well. He said that there would also be outreach efforts through non-profits.

Mr. DiMarco asked with respect to reductions in rent or landlord participation in the effort, was it possible for the application to ask if the tenant had asked for a reduction in rent. He said that
he viewed this as a way to start that conversation and that some landlords might be willing to
discount rents to get funds sooner rather than later.

Mr. Pratt said that was a great suggestion but he would need to talk it over with his legal team. He
said that a number of landlords just wanted to pay their mortgage and needed the rent to
do that. He said that it also occurred to him that there were resources available to landlords
and the MRA could help make landlords aware of that through an event or a flyer.

Mr. DiMarco said that he was in support of the program but would like application to be made
available to the CPC prior to distribution so that they could review it and make suggestions.

(Mr. Layne briefly left the meeting.)

Mr. Molis asked what the current administrative rate was for the security deposit program.

Mr. Pratt said that the program anticipated serving 50 households over the next 6 months. He
said that the existing housing service providers would absorb that cost in the current rental
assistance program. He said that they would not be able to do that with this larger program.

Mr. Molis asked what the limit was on administrative costs.

Mr. Pratt said that the administrative limits only applied to the MRA and were limited to 20%.

Ms. Sulda said that they were talking about a program fund of $750,000 and were expecting
thousands of applicants. She said that rents were estimated at $1850 - $2500 per household. If
you assumed an average of $2000/household, the fund would only reach 300 households. She
asked where the money would come from for the rest of the people in need.

Mr. Pratt said he just didn’t know. The available funding did not come close to meeting the
need. He said that Malden was a community that already had a lot of housing cost burden,
even in good times and that the real estate market did not appear to be crashing, as they saw in
the last recession. He said that it did not appear that the situation would improve any time
soon. He said that he wished he had better news but the only approach was to do the best
they could with what they could get.

Ms. Sulda asked if weight could also be given to single parent households and households with
school aged children.

Mr. Pratt said that was a good idea – he would look into it.

Mr. Sulda asked about the possibility of CPC funds being used only to provide rental assistance.
Mr. Pratt said that they wanted administrative costs to be borne equally because the administrative cap on CBDG funds was limited to 20%, so all administrative costs couldn’t be borne by that program alone.

Chairman Orsino said, by way of clarification, that administrative costs were allowable under CPC guidelines.

There being no further questions on the application, Chairman Orsino thanked Mr. Pratt and asked if committee members were ready to vote.

Mr. Layne said that he was ready to make a motion to approve.

Ms. Sulda asked if it was worth discussing whether a little more funding could be made available to the program.

Mr. DiMarco said that the first question would be for Mr. Antonucci based on the budget for this year. He said that he knew that total available funds were never expended and that some portion of the fund was set aside for a rainy day. He said that there was no question that this qualified as a rainy day. But, he said, the next question would be whether or not the MRA had the capacity to expand the program at this point.

Chairman Orsino said that the Committee should look at the numbers and remember that the Affordable Housing Trust Fund was due to come on-line in the near future. She said that this was the first go-round with the application and that there was the opportunity for the MRA to come back in to amend the application. She said that she thought they also needed to be mindful of the future and fact that the fund would not grow at the same rate it had in the past. She said that there was also the hope that an additional round would be made possible through funding from HUD.

Mr. Pratt said that they were hoping for additional funding from HUD but it was not a sure thing. He said that, on the MRA side, costs would be the same regardless of the amount of funding. With the housing service providers, overhead would decrease as the numbers went up. He said that distribution of additional funds from HUD would be up to Congress. He said that there was also money that the federal government sent to the state every year; that was generally distributed only to communities, like Chelsea, who were not eligible for CBDG funds. Right now, they did not know how the state would prioritize those funds this year. He said that there was a third program for communities especially hard hit by the virus, but it was not clear at this point if Malden would qualify.

Mr. Antonucci said that, with respect to available funds, there was a cushion in the FY20 housing account. He said also, if there were to be a second round, there were reserved funds in
the main account. And, finally, he said, the Committee should remember that the 2021 funding cycle was right around the corner.

Mr. Pratt asked, with respect to requesting a second round of funding, if there was a means of streamlining the application process.

Chairman Orsino said that the challenge right now was not knowing how the problem would play out. She said that once they started seeing the statistics that should become clearer. She said that she really did not want to leave the Affordable Housing Trust Fund out of the metric. And, she was not sure that they shouldn’t be looking at growing the Start Secure program. She said that once the metrics came in and they could see what the needs were, there was an opportunity to look at a second round of funding. She said that could be done through an amendment to the application. She suggested that the Committee take a vote on the current application and then make a motion as to next steps to be taken.

Mr. DiMarco said that he heard what the Chairman was saying relative to upcoming issues but thought that it would be helpful if they could streamline the process for future submissions. He said that he would support another meeting to look at numbers and what the Committee might be able to do additionally.

Mr. Antonucci agreed that they should focus on the application at hand right now. He said that, with that in mind, he would make a motion to recommend approval of the application. The motion was seconded by Mr. Molis.

ON MR. ANTONUCCI’S MOTION, SECONDED BY MR. MOLIS, TO RECOMMEND APPROVAL THE MRA’S APPLICATION FOR FUNDING OF A RENTAL ASSISTANCE PROGRAM. (8)y-(0)n APPLICATION APPROVED.

Ms. Sulda said that she would like to amend the approval to add that heavier weight be given to applicants who are single parents and parents of school age children.

Mr. Pratt suggested that that it be worded to require that the MRA pursue or explore that possibility, so that they would have the opportunity to make sure that it follows all relevant non-discrimination statutes.

ON MS. SULDA’S MOTION, SECONDED BY MR. LAYNE AND MR. KABA, THAT THE APPROVAL BE AMENDED TO REQUIRE THAT THE MRA EXPLORE THE FOLLOWING POSSIBILITIES: 1. GIVING HEAVIER WEIGHT IN A LOTTERY TO THE FOLLOWING CATEGORIES: 1. HOUSEHOLDS WHOSE MEMBERS ARE NOT ELIGIBLE FOR UNEMPLOYMENT BENEFITS; 2. HOUSEHOLDS WITH SCHOOL AGE CHILDREN; 3. HOUSEHOLDS HEADED BY A SINGLE PARENT;
NEW BUSINESS

Chairman Orsino asked if there were any items of new business for the Committee.

Mr. Antonucci said that he was not sure it qualified as new business but that he would like to take this opportunity to thank the chair for her hard work and leadership in shepherding this application through the process over the last few weeks. There was general agreement among Committee members that thanks were warranted.

OLD BUSINESS

Ms. Sulda noted that, at the last meeting, a public hearing on applications was scheduled for May 1st. She asked the status of that hearing.

Chairman Orsino said that process had been paused because they wanted to be sure that the technology was in place to support a public hearing. She said that she had confirmed with Ron Cochran, the Communications Director, that it could be done. So, she said that they could now plan on holding the public hearing at a date two weeks out. She said that could be scheduled now and suggested that it be moved to Friday, May 8 at 6:00 p.m. All members indicated that they would be available at that time. The Chair said that she would proceed with publicizing the hearing.

Mr. Antonucci asked if it was correct that the hearing would be for all projects.

Chairman Orsino said that was correct. She also noted that their regularly scheduled meeting would be held on May 12 at 5:00 p.m., if that was acceptable to members. All members indicated that was acceptable.

ADJOURNMENT

ON MR. DIMARCO’S MOTION, SECONDED BY MR. MOLIS, THAT THE MEETING BE ADJOURNED

MEETING ADJOURNED 6:55 P.M.