



**FY20 CPA FUNDING APPLICATION**  
**DUE: NO LATER THAN 6:00 PM, Monday September 30, 2019**

**SECTION 1: APPLICANT INFORMATION**

APPLICANT NAME/ ORGANIZATION	Malden Redevelopment Authority on behalf of the City of Malden
CO-APPLICANT (if applicable)	
CONTACT PERSON	Alex Pratt, Community Development Director
MAILING ADDRESS	17 Pleasant St., 3rd Floor Malden, MA 02148
PHONE	781-661-8168
EMAIL	apratt@maldenredevelopment.com

**SECTION 2: PROJECT INFORMATION**

PROJECT NAME	Malden Rental Assistance Fund
PROJECT ADDRESS	17 Pleasant St., 3rd Floor Malden, MA 02148
ASSESSOR'S PARCEL ID	

Interested Municipal Party or Community Organizations (if any): MRA, Mayor's Office

Will this project be independent or is it part of another existing project? Please explain:  
**This is part of the new Malden Rental Assistance Fund.**

Brief Project Description:  
**See attached.**

**SECTION 3: SITE INFORMATION**

**Section Not Applicable**

Lot Size (Sq Ft): \_\_\_\_\_

Zoning District(s): \_\_\_\_\_

Ward: \_\_\_\_\_

Do you have site control (e.g. Purchase and Sales Agreement, option to purchase, deed)?

Yes  No

*Note: Community Preservation Fund applicants are required to submit evidence of site control with the application. City of Malden must be co-applicant on all projects on City property.*

Does the applicant have written consent of the property owner to submit an application?

Yes  No

*If yes, please include letter of consent with application.*

If applicable, explain what zoning relief is required (e.g. a zoning variance, special permit) and why:

\_\_\_\_\_  
\_\_\_\_\_

If applicable, describe any anticipated environmental issues/concerns with the site. If the site contains known environmental hazards, please attach a remediation plan:

\_\_\_\_\_  
\_\_\_\_\_

Is the property listed in the National Register of Historic Places, located in a historic district, National Register Historic District, or otherwise eligible for listing in the National Register?

Yes  No

If yes, please identify: \_\_\_\_\_

If applicable, how old is the existing building (or buildings)? \_\_\_\_\_

Are there (or will there be) children under the age of seven living on the premises?  Yes

No

Will the project temporarily or permanently displace or require the relocation of existing tenants?

Yes  No

If yes, please describe any outreach efforts and/or notifications to residents to date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**SECTION 4: FOR HOUSING APPLICANTS ONLY** *(All other applicants proceed to Section 5.)*

<b>DEVELOPER</b>	<b>Not Applicable</b>
<b>DEVELOPER CONTACT</b>	
<b>DEVELOPER MAILING ADDRESS</b>	
<b>DEVELOPER PHONE</b>	
<b>DEVELOPER EMAIL</b>	

**TYPE OF HOUSING (CHECK ALL THAT APPLY AND PROVIDE # OF UNITS)**

<b>HOUSING TARGET CLASS</b>	<b>HOUSING TARGET</b>	<b># OF UNITS</b>
<b>Homeownership</b>	<input type="checkbox"/> Single Family	
	<input type="checkbox"/> Condominium	
	<input type="checkbox"/> Cooperative	
	<input type="checkbox"/> Other <i>(Please Explain)</i>	
<b>Rental</b>	<input type="checkbox"/> Individual/Family	<b>100-125 units</b>
	<input type="checkbox"/> Group Home/Congregate	
	<input type="checkbox"/> Other <i>(Please Explain)</i>	
<b>Targeted Population</b>	<input type="checkbox"/> Individual/Family	
	<input type="checkbox"/> Special Needs/Identify Needs	
	<input type="checkbox"/> Elderly	
	<input type="checkbox"/> Homeless	
	<input type="checkbox"/> At Risk of Homelessness	
	<input type="checkbox"/> Other <i>(Please Explain)</i>	

**SECTION 5: PROJECT MILESTONE TIMELINE** See attached.

Provide a schedule for project implementation, including a timeline for major milestones. Examples are included below.

DATE	MILESTONE
	Inform Ward Councilors and immediate abutters of proposed plans
	Acquisition
	Pre-development (design, zoning, permitting)
	Marketing/Outreach
	Rehabilitation/Construction
	Expected Date of Project Completion
	Full Occupancy/Public Use
	[Other Significant Milestones to Implementation]

**SECTION 6: BUDGET SUMMARY**

Please include a complete, itemized budget of all project expenses with this application.

Total Project Cost	CPA Funds Requested	Cost Share Amount	Cost Share Percent
\$ 750,000	\$ 250,000	\$ 500,000	% 33.33

**NOTE: CPA FUNDING FOR ANY CATEGORY REQUIRES COMPETITIVE BIDDING** unless applicant can provide a sole source justification for any category not competitively bid.

**\*\*Attach 3 bids (preferable) and a minimum of one recent bid\*\***

**See attached.**

**Maintenance Budget** (if necessary) -Reminder: CPC cannot fund the maintenance costs for any CPC projects. CPC prioritizes projects with no maintenance required. Please identify the source of maintenance funding, if required.

Year 1	Year 2	Year 3	Year 4	Year 5
\$	\$	\$	\$	\$

**Not applicable.**

*Budget Summary Continues on Next Page*

**Budget Cost Sharing** - Identify the amount of cost sharing for this project. Sources include private, federal, state, or local government, or any other sources. If more space is needed, add additional page.

Organization	Secured Y/N	Amount	Type (cash, in-kind, etc.) and Status if not secured
City of Malden	Y	\$500,000	CDBG-CV stimulus funds

**SECTION 7: SIGNATURES**

<p>TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL INFORMATION IN THIS APPLICATION IS TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE INDIVIDUAL OR GOVERNING BODY OF THE APPLICANT.</p>	
<p>Applicant Signature </p>	<p>Date Signed <b>4/16/2020</b></p>
<p>Applicant First Name <b>Alexander</b></p>	<p>Applicant Last Name <b>Pratt</b></p>
<p>Applicant Title/Organization <b>Community Development Director Malden Redevelopment Authority</b></p>	
<p>Property Owner Signature (if different)</p>	<p>Date Signed</p>
<p>Property Owner First Name</p>	<p>Property Owner Last Name</p>

**SECTION 8: FOR CPC USE ONLY**

Date Received	
Category	
Date Reviewed	
Date Applicant Notified of Decision	

RANKING		DECISION	
High		Recommended for Funding	
Medium		Denied with Invitation to Resubmit for Future Funding Cycle	
Low		Denied for Funding	

**Malden Community Preservation Committee**  
Attached Materials for Malden Rental Assistance Fund Application

Brief Project Description: (from application)

The COVID-19 pandemic has led to unprecedented economic conditions that require immediate and sustained action to blunt the impact on Malden households, particularly low-income renters, who are most likely to be displaced in a housing emergency. The Malden Redevelopment Authority (MRA), on behalf of the City of Malden, submits this request for funds for the Malden Rental Assistance Fund, which will provide rental assistance to low-income Malden households. This request for \$250,000 in Community Preservation Act (CPA) funds will serve an estimated 100 to 135 low-income Malden households.

Project Milestone Timeline: (from application)

4/14/20	Mayor's Proposal Presented to Council
4/29/20	Procurement process complete
5/01/20	Applications made available
5/15/20	Lottery conducted, awards made
5/15-29/20	Final applications approved, funds disbursed to landlords

Note: All future dates listed are estimates.

Procurement: (from application)

The MRA will complete procurement in compliance with G.L. Ch. 30B and all other state and federal requirements either through an emergency procurement or through changes to existing contracts with properly procured rental assistance providers. Due to the urgency of this proposal, we respectfully request that this application be considered before the procurement process is complete. The MRA will provide the Community Preservation Committee with the final procurement information as soon as the process is complete.

Additional Information

In addition to the information required above that is required on the Community Preservation Committee application, the MRA provides the following information about the proposed project.

Community Need:

Malden is in the early stages of an extraordinary housing emergency that will impact thousands of residents, with at least hundreds likely to face eviction. Evictions peaked in Malden in 2012 when 345 evictions were filed, meaning one in 27 (3.72%) renting households faced evictions that year.<sup>1</sup> At the time, the unemployment rate, which is associated with housing instability, was 6.9% in Malden.<sup>2</sup> Recent media reports in *Fortune*, *The New York Times*, and other publications

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<sup>1</sup> Malden Housing Needs Assessment (2019).

<sup>2</sup> Labor Force and Unemployment Data, Department of Unemployment Assistance.

suggest the current national employment rate is about 14%, the highest since at least 1940. There is no perfect predictive model to project evictions, but record-high unemployment combined with preexisting high rates of housing cost burden<sup>3</sup> and a regional housing shortage indicate a wave of evictions could be on the horizon.

Evictions are majorly disruptive events for every household, and drastically increase rates of homelessness, property loss, emergencies calls, unemployment, decline in mental and physical health, addiction, loss of access to health care, family breakups, educational disruptions, debt spirals, overcrowding, and social isolation. Even for households who are not evicted, inability to pay rent causes serious long-term consequences. These could include inability to pay for health care costs or food; falling behind on utilities, car payments, student loans, or other obligations; challenges renting future apartments, if landlords conduct background checks; depletion of any savings or retirement accounts; and negative impact on credit scores.

Even in good economic times, low-income renting households are most likely to be displaced. This risk is elevated if a household is housing cost burdened, spending more than 30% of their monthly income on rent. Before the crisis began, 41% of Malden households fell into that category. As monthly income declines, that number will grow.<sup>4</sup>

Survey data collected late last month underscores the extent of financial harm, especially for lower income families. Households earning less than \$50,000 were most likely to have lost income (48%, compared to 32% overall) and least likely to have worked remotely (46%, compared to 61% overall) since the crisis began. Importantly, only 36% of these households said they could sustain their current situation more than one or two months before experiencing significant financial hardship, compared to 54% overall. Cross references show these challenges are more severe in Gateway Cities, including Malden.<sup>5</sup>

For reference, the average Malden worker earns approximately \$40,000 a year, with the average household earning \$60,000 annually,<sup>6</sup> and, according to the 2017 American Community Survey, about one in five Malden workers had a job in the food service, sales and retail, or personal care and service industries.

The consequences of COVID-19 on housing stability for Malden families cannot be overstated. The households with higher pre-pandemic incomes will likely have greater financial savings and flexibility, though loss of income could still negatively impact a family's financial future. Lower income families, who are more likely to have lost jobs since early March, could owe months of back rent and utilities and could struggle to repay debts for years. In some cases, families will face eviction or homelessness, which will change the nature of our community and risk increasing the spread of COVID-19.

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<sup>3</sup> A household is housing cost burdened when it spends more than 30% of monthly income on housing costs.

<sup>4</sup> Consolidated Planning/CHAS Data, 2012-2016. HUD. Released August 5, 2019.

<sup>5</sup> MassINC/ Blue Cross Blue Shield of Massachusetts tracking poll (March 24-29, 2020) crosstabs.

<sup>6</sup> Malden Housing Needs Assessment (2019).

### Project Details:

The proposal is to use \$500,000 in CDBG funds secured through the federal CARES Act combined with additional Community Preservation Act (CPA) funds. This fund would serve approximately 200-300 Malden households at or below 50% Area Median Income (AMI).<sup>7</sup> Adding CPA funds would increase the number of households served at approximately \$1,850 to \$2,500 per household, including housing service provider overhead.

If approved, the MRA would contract with housing service providers with experience conducting rental assistance programs. Providers would be required to submit regular reports to the MRA and backup documentation for each tenant assisted. Providers would handle intake, verification, and documentation, and submit approved applications to the MRA. The MRA would review approved applications and submit payment directly to the landlord.

The MRA is working to limit administrative costs as much as possible and commits to keeping its own administrative costs at or below 15% for the Malden Rental Assistance Program. The procurement process will ensure that housing service providers keep their administrative costs to a minimum as well.

Currently the MRA plans to cover the cost of one month's rent for each approved household, though never to exceed fair market rent. However, the MRA would like the flexibility to provide up to three months' rent for extenuating circumstances. The MRA would also like flexibility to use funds for utilities if proper documentation is provided.

Housing service providers would report individual and aggregate data to the MRA. The MRA will report aggregate data to the CPC and the City regularly. Because of the need to provide rental assistance as quickly as possible, the MRA requests that approved CPA funds be provided directly to the MRA, to be held in a separate account created for this purpose. The MRA will report statements showing balances and disbursements, excluding any identifying information, to the CPC. This will help eliminate possible bottlenecks and reduce cashflow issues.

The MRA continues to interface with other municipalities, think tanks, and federal and state officials on emerging and best practices regarding rental assistance program administration in response to COVID-19. Due to the high volume and quick turnaround, the MRA is working to ensure that the Malden Rental Assistance Fund is expended expeditiously and equitably. Outstanding questions include how to integrate translation services into the application process, what considerations should count toward a weighted lottery, if any, and how extensive required documentation should be.

The City Council unanimously adopted a resolution on April 14, 2020 in support of the Mayor's Malden Rental Assistance Fund proposal.

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<sup>7</sup> AMI is the median household income of a geographic area (e.g. Greater Boston) calculated annually by HUD.

## Anticipated Questions and Answers

Representatives from the MRA will attend the April 22, 2020 meeting of the Community Preservation Committee to answer questions about this application. Members of the Committee are also invited to email questions in advance to [apratt@maldenredevelopment.com](mailto:apratt@maldenredevelopment.com) so that we may best address them. Below please find answers to some questions we anticipate on this proposal.

### **Is this a new program or one that is already established?**

This is a new program, to be created with CDBG and potentially CPA funds, in direct response to the COVID-19 crisis. Although this is a new program, the MRA has experience overseeing rental assistance programs through various CDBG public services providers. The design of the new program is informed by this experience, and many best practices from the existing programs will be implemented in the new program.

### **Please indicate if there is a time constraint in funding for the Malden Rental Assistance Fund.**

Nationally, nearly 1 in 3 renters was unable to make an on-time rent payment on April 1, a huge spike widely attributed to the COVID-19 crisis. We anticipate that this number will be significantly higher in May. Additionally, Massachusetts-specific survey data shows that, among households that earn less than \$50,000 annually, only 36% said they could make it more than one to two months before experiencing a significant financial hardship. These data show worse cases in Gateway Cities like Malden. In Malden, approximately 13,000 households, consisting of more than half of the city's population, pay rent. Nearly all of these households pay rent monthly.

This data underscores the urgency of responding to this crisis as quickly as possible.

### **Please provide an example of a Malden Rental Assistance Fund application.**

The MRA continues to develop an application, leaning on the experiences of other communities that have already established rental assistance programs in response to COVID-19. The MRA application will include questions standard to rental assistance programs (income verification, lease information, documented need for assistance), as well as questions regarding the impact of COVID-19 on the household's ability to pay. The MRA will provide the Committee with an application form once it has been finalized.

### **Please provide details on housing counseling services provided through this program.**

Due to the anticipated demand, limited resources, and need to provide funds as quickly as possible, the MRA expects that housing providers will provide minimal housing counseling or case management services through this program. Any housing counseling provided will be conducted in compliance with state and federal requirements.

**Who is eligible for this program?**

Malden renter households earning 50% or less of the Area Median Income (AMI) and who are housing insecure due to COVID-19 are eligible for this program.

**What can the funds be used for?**

Funds will be used primarily for rent, though utilities may also be covered on a case-by-case basis.

**Will this just affect people who are impacted by COVID-19?**

Yes. Only households who are unable to pay rent or utilities due to COVID-19 will be eligible.

**Is there going to be a maximum rent amount or limit?**

Each household will be limited to three months' worth of assistance, though we anticipate that funds will only cover one month's rent. Monthly rent payments will be capped at fair market rent rates.

**Who is running this program? How does the program work?**

The MRA is overseeing this program, and will partner with one or more housing service providers with experience in rental assistance programs for intake. Providers will ensure applications are complete before providing initial approval and forwarding to the MRA, which will review and provide final approval. The MRA will then submit payment to approved applicants' landlords on their behalf.

**How can someone submit an application?**

Applications will be accepted online. The MRA may require providers to offer assistance to households without internet access.

**How can we prevent abuse of the system?**

Housing service providers will collect and review documentation to ensure the validity of applications. The MRA will also be conducting monitoring of these programs consistent with federal guidelines. Applicants will attest to the accuracy of information they submit.

**Will program materials be translated?**

Yes. The MRA is working to determine which documents should be translated.

### Fair Market Rents and Income Limits

Unit Size	Studio	One-bed	Two-bed	Three-bed	Four-bed	Five-bed
<b>Fair Market Rent</b>	\$1,715	\$1,900	\$2,311	\$2,880	\$3,131	\$3,600

Malden Rental Assistance Fund Income Limits								
Household Size	1	2	3	4	5	6	7	8
<b>Income Limit</b>	\$41,500	\$47,400	\$53,350	\$59,250	\$64,000	\$68,750	\$73,500	\$78,250

These rents and income limits are effective until the next iteration of the data published by HUD becomes effective.