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CITY OF CAMBRIDGE

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MEMORANDUM

TO: Housing Committee

FROM: Affordable Housing Trust
CDD Staff

DATE: June 21, 2019

RE: Recommended Changes for Preferences in Resident Selection Policies

In the last term, the Housing Committee asked the Trust and Community Development Department (CDD) to develop recommendations for changes in the criteria which determine which applicants receive preference for inclusionary housing offered through CDD. After reviewing program information, considering the current criteria, identifying gaps and opportunities for change, and projecting the impact of recommended changes, we are now forwarding recommendations to the Housing Committee for consideration and discussion.

Changes to the current resident selection preference criteria will be made through the City Manager's promulgating regulations for the Inclusionary Housing Program under authority provided in the 2017 zoning amendment. The Housing Committee had asked for recommendations from the Trust to help provide policy guidance in developing changes to the current preference criteria. Staff will incorporate recommendations from the Housing Committee into regulations for the Inclusionary Housing Program, which will be first issued in draft form. The City will offer opportunities for the community to provide comments for consideration before regulations are finalized.

We have considered both the hierarchy of preference criteria as well as the criteria themselves and are recommending changes in each.

HIERARCHY OF PREFERENCES

The hierarchy of preferences is the order in which different preference criteria are considered. The current hierarchy includes residency, households with children, and emergency need. Residency has been the significant preference, followed by that for applicants with children, and then lastly the preference for applicants with emergency needs.

We recommend that residency remain the most important and impactful

preference, and that given the needs in the community and changes we have seen in the socioeconomic profile of the city over time, that this preference remain fully available for residents for all units.

We reviewed the preference for applicants with children, which is currently the second most impactful preference, and found the current policy had a negative impact on rental applicants with an emergency housing need (there is no emergency need criteria for homeownership) by providing too significant an advantage to applicants with children. This advantage for families with children has made it more difficult for applicants with emergency housing needs without children to be considered for available rental units. Often those applicants (e.g. all-adult resident households) are not considered for available units.

We recommend a change to prioritize resident applicants with an emergency housing need for rental housing, so that these applicants are considered before applicants who are more stably housed. This would change the current hierarchy of preferences for two- and three-bedroom units (as there is no preference for applicants with children for studio and one-bedroom units), and place resident applicants with an emergency need ahead of all applicants without an emergency need including resident applicants with children. We recommend that among applicants with emergency needs, that those applicants with children receive priority and be considered ahead of emergency need applicants without children for two- and three-bedroom units.

After all resident applicants with emergency housing needs are considered for rental housing, and for all homeownership units, we recommend that the preference for families with children remain to facilitate housing families in larger units.

PREFERENCE CRITERIA

We have the following recommendations and comments for each preference area.

Resident Preference (Rental Housing & Homeownership)

We strongly recommend that the preference policy continue to allow for all residents to be considered for housing before any non-resident. However, recognizing that some residents have a hard time documenting their residency, recommend that the criteria for documenting residency be

expanded. City staff is considering how best to do this.

To assist residents who may face displacement while waiting for housing, we also recommend that the residency status of an applicant be determined at the time of initial application, and not reexamined while the applicant has an active application. Currently, residency status is set at the time of the initial application and reexamined when housing is available. This change would prevent residents who might be displaced from losing their residency status for City housing programs when they have pending applications.

We discussed at great length how to consider displaced former residents – both those with vouchers issued by CHA¹, and other displaced low- and moderate-income households who are harder to quantify because they are not receiving housing assistance. We share the desire expressed by the Committee to bring displaced residents back, however discussed the paths that CHA has created to assist CHA voucher holders in moving to Cambridge in housing accessed through the CHA². Given the great need among current residents, we recommend that the residency preference be limited to current residents to help minimize displacement of current residents who will still face long wait times for housing.

Emergency Housing Need Preference (Rental Housing)

We also discussed at length and recommend limiting emergency criteria to those housing emergencies which warrant moving an applicant to the front of the line, and in many cases jumping past hundreds of applicants who have been waiting for housing for a long time. We noted that if an applicant meets our emergency criteria that we would want them to be considered for housing very quickly, and if they could not be (for example, if there were too many emergency need applicants to serve), then the emergency need criteria should be re-considered to prioritize applicants with the most significant needs.

With this goal, in addition to making it become a more impactful preference, we recommend the following changes:

¹ A 2017 CHA analysis found that 399 of 746 (53.5%) CHA MTW voucher holders living outside of Cambridge are from Cambridge; this number and ratio may be slightly higher as most vouchers issued since 2017 have been “emergency” vouchers issued to residents, and most new vouchers issued continue to be used outside of the city

² CHA offers preference for voucher holders living outside of Cambridge and considers these households first when filling vacancies in project-based units in Cambridge

- Maintain and/or modify the following emergency criteria:
 - Eviction threat – maintain criteria for applicants facing no-fault evictions, however we recommend a change so that the criteria is met when court action is commenced to give ample time before any court order is issued;
 - Cost-burdening – maintain criteria with a threshold of more than 50% of income, however we recommend a change to limit this criteria to applicants who have lived in their homes and have been paying more than 50% of their income for at least one year;
 - Homeless applicants – maintain criteria and rely on letters from shelters or other assistance providers; we recommend that applicants also be eligible for the residency preference if they can document their last permanent address in the city;
 - Transitional housing – maintain this criteria for applicants living in time-limited transitional housing, and clearly define criteria for what is considered transitional housing;
 - Housing condition –maintaining criteria, but we recommend limiting it only the most severe conditions, and recommend changing the criteria, which is currently available to applicants who are living in a unit with code violations, to be available only to applicants who have received a notice to vacate by the City, or who are victims of a natural disaster;
- Add the following emergency criteria:
 - Domestic Violence – while applicants seeking to escape abusive situations may qualify for other emergencies, we strongly recommend having explicit emergency criteria available; we recommend tis criteria be limited to recent incidents (e.g. 6 months) which has or could result in loss of housing as confirmed by police reports, court records, or statements from service providers, with residency for applicants who have been displaced from a Cambridge residence as a result of incidents determined by their former residence;
- Remove the following emergency criteria:
 - Overcrowding – while significant for some applicants we recommend removing criteria to ensure housing is prioritized for applicants with most significant housing needs.

We recommend that applicants who meet the recommended emergency criteria maintain that status for so long as the emergency exists, and this status be subject to reevaluation if circumstances change while their application is

pending. We likewise recommend that the criteria be limited so that applicants are offered one available unit, and the emergency need preference be forfeited if an applicant declines a unit offered.

Finally, we discussed at length applicants who are doubled up, reviewing the reasons why applicants might be doubled up, and the challenges in documenting and confirming such circumstances which would make it difficult to implement such criteria equitably. Staff have seen applicants who have doubled up by need (for example after an eviction for cause) and by choice (for example moving from another community), and it is often difficult to determine the full set of facts and open to subjective determinations. Where we desire clear, objective, and transparent criteria, we do not recommend this as emergency criteria.

Families with Children (Rental Housing & Homeownership)

We recommend maintaining this preference for families with children for both rental and homeownership applicants. However, acknowledging that it has been difficult for many families with children 6 years old or older to be considered, we recommend splitting this preference so that the additional preference for families with children under the age of 6 be maintained for 2 out of every 3 units, and that an “open” preference for all applicants with children under 18 be in place for every 3rd available unit. We recommend that this be done for two- and three-bedroom units for both the rental and homeownership program. For homeownership, we recommend that this preference also be applied to these units within specified income ranges (e.g. 60-80% AMI, 80-100% AMI, etc.), based on the income eligibility limits for units that are offered, to ensure that all applicants with children will over time have a chance to be considered for these opportunities.

PROJECTING IMPACT OF RECOMMENDED CHANGES

In the attached Appendix, CDD staff have analyzed how recommended changes would impact households served in both rental and homeownership units. Using data on applications received, staff have projected how which applicants are considered for available units might change from the current criteria were replaced as recommended above. This analysis assumes that the types of applications will not change as result of changed preference criteria. While the actual impact of any changes going forward cannot be predicted with certainty, this attached analysis helps to demonstrate how the changes would impact different types of applicants.

Appendix

Modelling the Proposed Changes be served in Inclusionary Rental Housing

To assist with consideration of changes to the resident selection preferences for inclusionary housing units, CDD staff projected how recommended changes in preferences might impact applicants who are offered housing. To conduct this analysis staff looked at the annual average number of applications received for two- and three-bedroom units over two years.

This analysis compares applicants who would be considered under the current preference criteria to applicants who would be considered if the proposed changes were implemented. Staff projected housing units that could be available in the next year in order to estimate how many two- and three-bedroom units might be available.

Changing the preference criteria could impact which applicants apply for housing. For example, the number of households with an emergency need who do not have children might increase as those applicants would have more of an advantage under the proposed changes than under the current system. This analysis does not assess potential changes in applicant characteristics.

1. PROPOSED CHANGES TO PREFERENCE FOR EMERGENCY HOUSING NEED

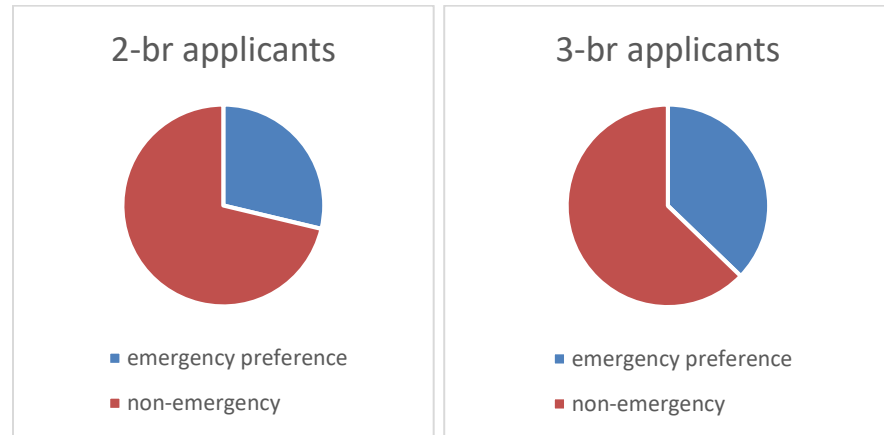
- Prioritize emergency preference applicants for rental housing
- Eliminate emergency need preference for overcrowding
- Narrow emergency need preference for code violations and cost burdened
- Establish a preference for domestic violence

Current System:

Applicants: Table 1 represents the average annual number of local preference applicants for two and three-bedroom units. Under the current preference system (i.e. with preference for overcrowding, code violations, etc.), there would be 27 applicants for two-bedroom units and 16 applicants for three-bedroom units who would meet the criteria for emergency preference.

Table 1- current preference criteria, annual average local preference applicants

Unit Size/BR	Annual Applicants	Emergency Preference	Non-Emergency	% of applicants with emergency need
2	94	27	67	29%
3	43	16	27	37%

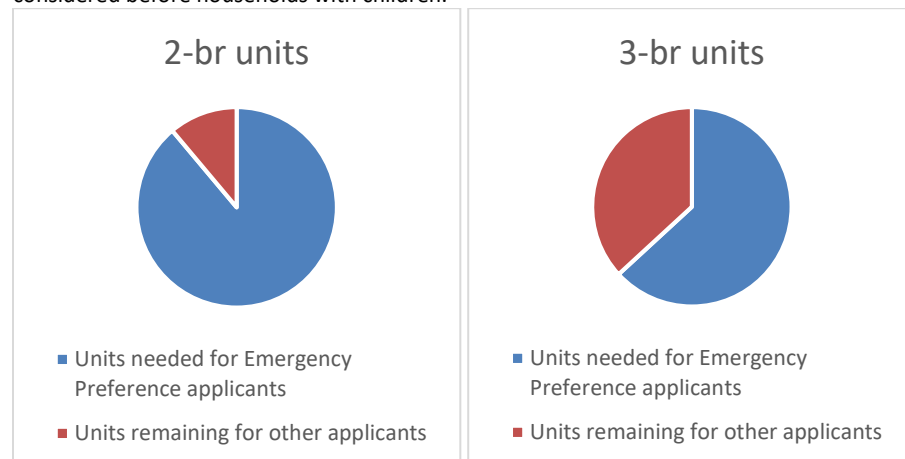


Units Available: Table 2 shows the number of two and three-bedroom units expected to be completed in the next year. Under the current system, 83% of the two-bedroom units would be needed to consider all applicants with emergency preference. All available three-bedroom units would be needed to consider applicants with emergency preference.

Table 2- projected applicants housed with no changes

Unit Size/BR	# of Units	Units considered for Emergency Preference applicants	Units remaining for Non-Emergency applicants	% of available units needed to consider emergency preference applicants
2	27	24*	3	89%
3	19	12	7	63%

* This number does not include households without children under age 18 (3 applicants) since they are not considered before households with children.



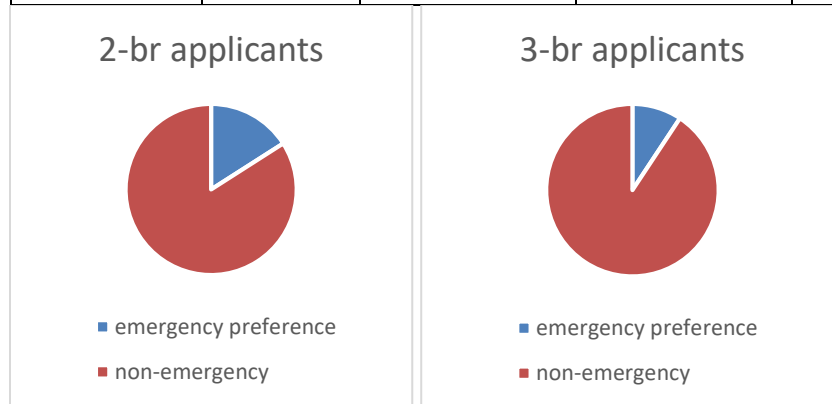
Proposed System:

Applicants: Since overcrowding would no longer be criteria for emergency need and code violations and cost-burdened would be limited, there would be fewer applicants receiving an emergency preference.

Under the proposed changes to the preference system, Table 3 shows that there would be 15 applicants in the two-bedroom pool and 4 applicants in the three-bedroom pool who would have an emergency preference. The proposed changes to the emergency need criteria decreases the number of emergency need applicants.

Table 3 – Applicants under proposed system

Unit Size/BR	Annual Applicants	Emergency preference	Non-Emergency	% of applicants with emergency need
2	94	15	79	16%
3	43	4	39	9%

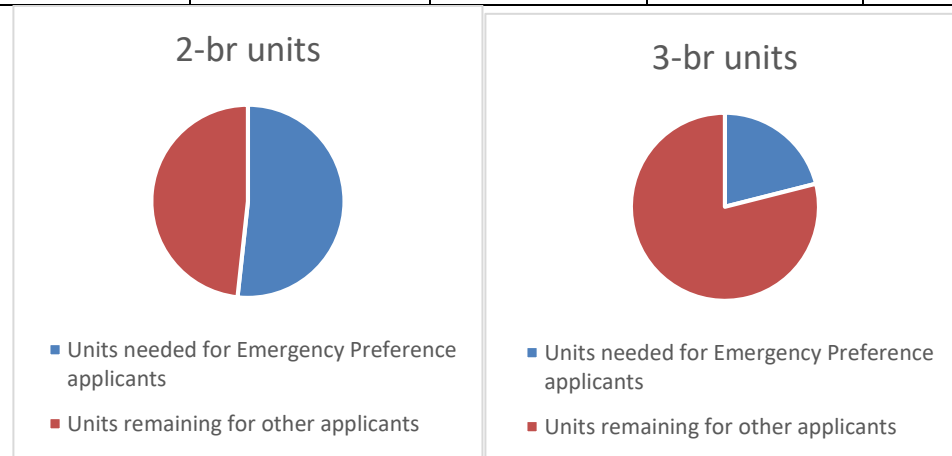


Units Available: Table 4 shows again the number of two and three-bedroom units expected to be completed in the next year. With fewer emergency need applicants, more applicants without emergency needs would be considered under the proposed system than are considered under the current system.

Using the proposed preference system, 52% of completed two-bedroom units would be needed to consider all applicants with emergency preference. For three-bedroom units, 33% of available units would be needed to consider applicants with emergency preference.

Table 4 – Projected Applicants Housed under proposed system

Unit Size/BR	# of Units	Units first considered for Emergency Preference applicants	Units remaining for Non-Emergency applicants	% of available units needed to consider emergency preference applicants
2	27	15	12	56%
3	19	4	15	21%



2. PROPOSED CHANGES TO PREFERENCE FOR FAMILIES WITH CHILDREN

- Offer every third unit with an open preference for applicants with children under 18 (i.e. no additional preference for children under 6)

Current System:

Within each preference group, all applicants with children under 6 are considered before any applicant with children age 6-18 (i.e. “with children under 18”).

Proposed System:

Under the proposed changes, Table 5 shows the impact of creating an open preference for children under 18 through which every third two or three-bedroom unit would have a preference for a household with a child under 18 (i.e. no additional preference for children under 6).

Table 5 – Projected Applicants Housed under proposed system

Unit Size/BR	# of Units	Units for families with child under 6	Units for families with child under 18
2	27	18	9
3	19	13	6

3. PROPOSED CHANGES: COMBINING CHANGED PREFERENCES

Proposed System:

Units Available: Table 6 shows how applicants would be considered for available units if changes to the Emergency Housing Need preference and Families with Children preferences are implemented.

Table 6 – Projected Applicants Housed under proposed system

Unit Size/BR	# of Units	Units first considered for Emergency Preference applicants*	Units remaining for Non-Emergency applicants	Units for families with child under 6	Units for families with child under 18
2	27	15	12	8	4
3	19	4	15	10	5

- Emergency need applicants considered could include families with children