



Summary of housing conditions, need, and existing programs compiled for the Springfield Community Preservation Committee

Springfield Office of Housing
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HOUSING STUDY

CITY OF SPRINGFIELD, JUNE 2018

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Executive Summary

This Housing Study, created in response to a request from the Community Preservation Committee, offers a snapshot of Springfield's housing conditions and market, along with a description of City programs and initiatives to address housing needs. It is primarily descriptive, and draws from existing sources of information, including the most recent census data and data produced from City systems. The study describes the housing stock, identifies housing market factors and housing needs, and points to evidence that the market is currently undergoing a shift from a weak market to a stronger one. It describes the City's housing programs, including funding levels.

This look at data highlights several of Springfield's key housing trends and issues, including areas where there are competing needs and policy goals. Major themes that emerge from the data are: the condition of the rental stock, housing abandonment, affordability, and fair housing issues.

Housing Conditions and Abandonment

For years, the City has had a weak market, meaning the costs of renovation or new construction exceed the market value of the completed housing. Because of a long-term weak market and lingering problems from the 2007-2010 foreclosure crisis, Springfield has abandoned homes and a significant amount of rental housing with poor conditions.

While the situation is improving, 2017 U.S. Postal Service data indicated that the City had 2,051 long-term vacant units. In FY17, the City identified 118 blighted properties—down from a high of 251 in FY12—which are vacant properties that are dilapidated or constitute a safety hazard. People often wonder how a city with many people in need of affordable housing can have vacant buildings, and the answer is that there is no profit in rehabilitating building where the cost to rehabilitate cannot be supported by the rents that will be earned once tenants move in. At the same time, a history of widespread deferred maintenance and the current high cost of construction and materials make the cost of rehabilitation so high that rehabilitation is not even economically feasible for a mission-driven nonprofit agency without subsidy or donated funds.

Due to a combination of a weak market and the presence of some investor-owners operating in the market solely for short-term profit, there are poor housing conditions throughout a segment of the rental market. The result of deferred maintenance is the existence of widespread housing code violations—the City's Housing Code Department responds to 1200—1400 complaints each year, a number of which are so serious that they lead to condemnation of the housing.

Recent developer interest in both rehabilitation and construction of market-rate rental housing is an early sign of a tightening and rising market. Where housing costs increase and there is competitive demand for housing, a strengthening of the market could lead to decreased abandonment and an increase in the number of rental units in good condition.

Affordability

While housing costs in Springfield are significantly lower than the statewide average, many in the city do not have enough income to pay market price for housing. Springfield's 30% poverty rate translates into many households with very low incomes: about 21,600 households have annual income under \$25,000.

The City has a significant stock of affordable housing. According to the Massachusetts Supportive Housing Inventory, Springfield has 10,192 income-restricted affordable housing units. In addition, approximately 6,000 Springfield households have housing vouchers which subsidize their rent.

Even with many housing subsidies, there are still many households with severe housing cost burdens. Almost a quarter of all Springfield households pay more than half of their income for housing. These households are in a precarious position, as reflected by statistics about housing emergencies. In 2018, there were 2,575 eviction filings in Springfield, and 618 actual evictions. At a given time, there are over 500 families living in emergency shelter in Hampden County.

Although it is out of reach for the lowest-income households, homeownership in Springfield is very affordable. Unlike the rental market, where rents have risen incrementally with inflation and cost of living increases, home values are currently about where they were in 2008. The City's median home value is \$154,300. Despite the affordability of homeownership, Springfield's homeownership rate has dropped in recent years, from 50% to 47%.

For individual households, housing affordability is about the relationship between household income and household costs. This study does not address the income side of the equation—that is, the market characteristics and programs that influence household incomes in Springfield.

Fair housing

The Springfield metropolitan area is highly segregated, with the region's people of color concentrated in Springfield and Holyoke. Within the metropolitan area, 75% of Blacks and 74% of Hispanics live in Springfield or Holyoke. In contrast, only 16% of the metropolitan area's whites live in these cities.

One contributing factor to the high level of segregation is the concentration of the region's affordable housing in Springfield, Holyoke, and, to a lesser extent, Chicopee. Blacks and Latinos have higher rates of poverty than non-Hispanic whites; in Massachusetts, only 8% of whites, but 22% of blacks and 29% of Latinos, live below the poverty level. Because of this disparity, there are higher proportions of blacks and Latinos who need affordable housing, and this population's housing choices are limited to places where it exists. In the Springfield metropolitan area, 83% of blacks in poverty and 90% of Latinos in poverty live in Springfield, Holyoke or Chicopee, the only cities in which more than 10% of the housing stock is low-income housing. In contrast, only 40% of the metropolitan area's overall population lives in these three cities.

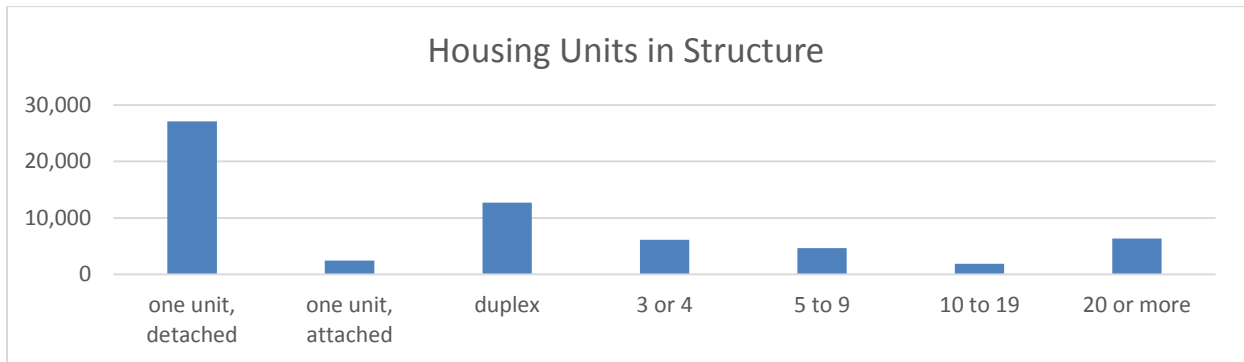
Springfield not only has an overall 30% poverty rate, it also includes 13 census tracts with poverty rates exceeding 40% and in which more than half the population are black and Latino. Part of the reason that these racially/ethnically concentrated areas of poverty exist, and have been expanding over time, is that the places where low-income people of color can live is limited by where they can access affordable housing.

Numerous studies have shown that concentrated poverty neighborhoods are geographically associated with negative outcomes in areas of health status, school performance, behavior problems, substance abuse, early sex and parenthood, delinquency, and violence. The concentration of affordable housing in these areas serves to continue longstanding and harmful patterns of segregation.

Description of the City's Housing Stock

Housing Units

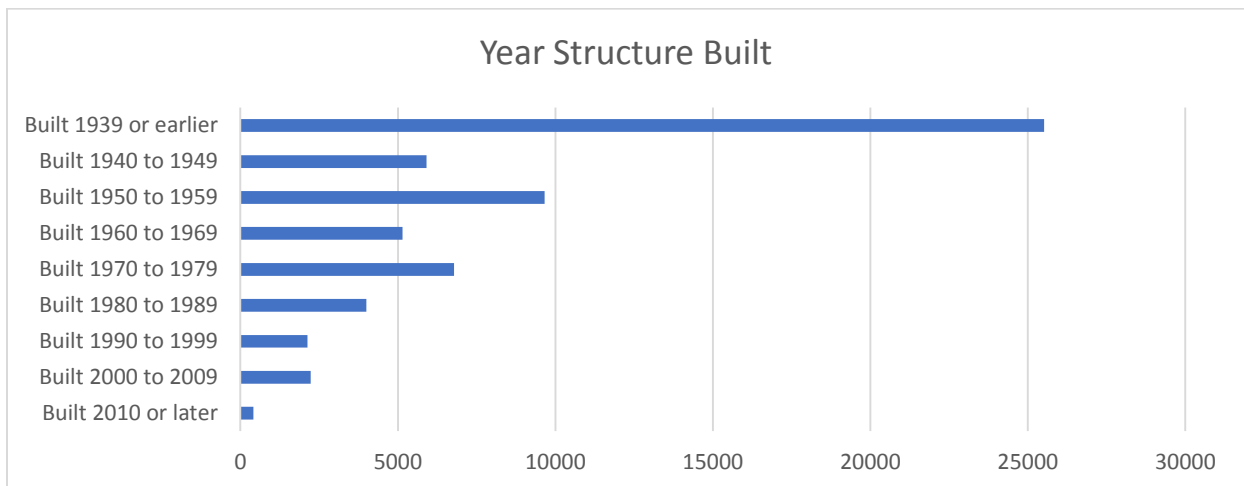
The City of Springfield has 61,851 housing units, about one in four units in the Springfield metropolitan statistical area.¹ Sixty-eight percent of the housing stock is made up of single-family homes and duplexes. Only 10% of units are in buildings with 20 or more units.



US Census, 2016 ACS 5-Year

Age of Housing

Springfield's housing stock is aged. Forty-one percent of units were built prior to 1940. Only 14% of the City's units have been built since 1980. While the older housing stock adds character to the City and is in many ways an asset, it also comes with high maintenance and repair needs, as well as the potential presence of lead paint.

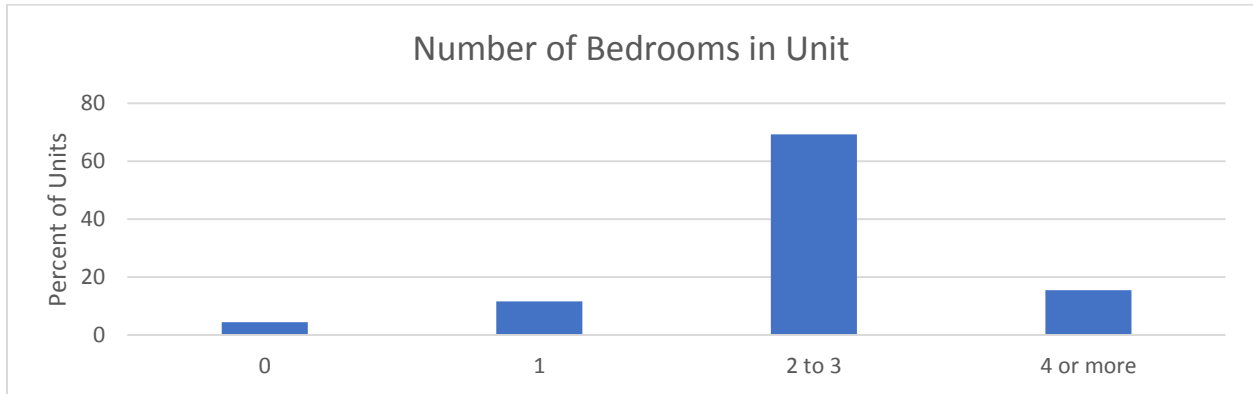


US Census, 2016 ACS 5-Year

¹ All census data is from the US Census 2016 5-Year American Community Survey, unless otherwise noted.

Number of Bedrooms

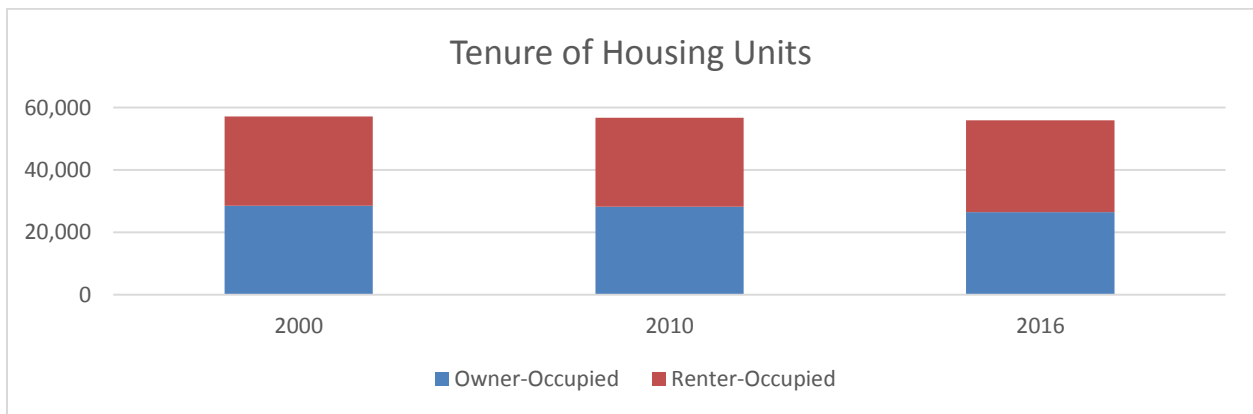
The majority (69%) of units in Springfield have 2 or 3 bedrooms. Sixteen percent are studios or one-bedrooms, and 15% have 4 or more bedrooms. To compare this to the population, 35% of Springfield households are made up of 1 or 2 adults without children, 60% are made up of families or groups of adults with 5 people or less, and 4% of households have 6 or more household members.



US Census, 2016 ACS 5-Year

Tenure

For 2000 and 2010, the U.S. Census indicated a 50% homeownership rate in Springfield. The 2016 5-year ACS shows that the rate has dropped slightly to 47%.



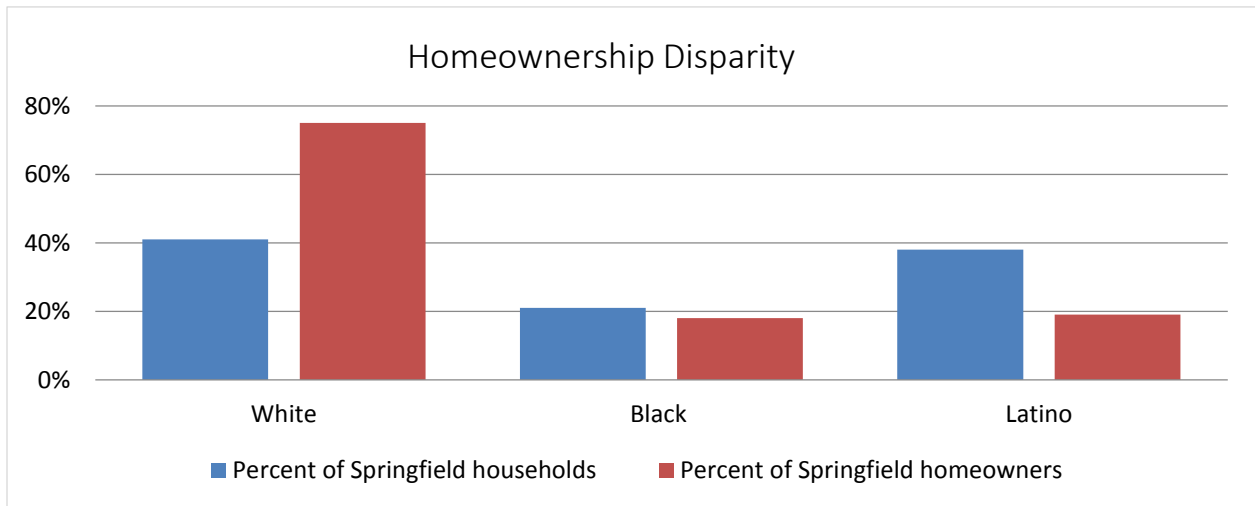
US Census, 2016 ACS 5-Year

Springfield has a relatively high homeownership compared to peer cities in the northeast, likely due to the city's large stock of single-family homes and duplexes.

City	Homeownership Rate	Percent of Housing Stock Made Up of Single-Family Homes
Springfield, MA	47%	44%
Worcester, MA	42%	38%
Syracuse, NY	39%	42%
Providence, RI	34%	27%
Hartford, CT	24%	19%

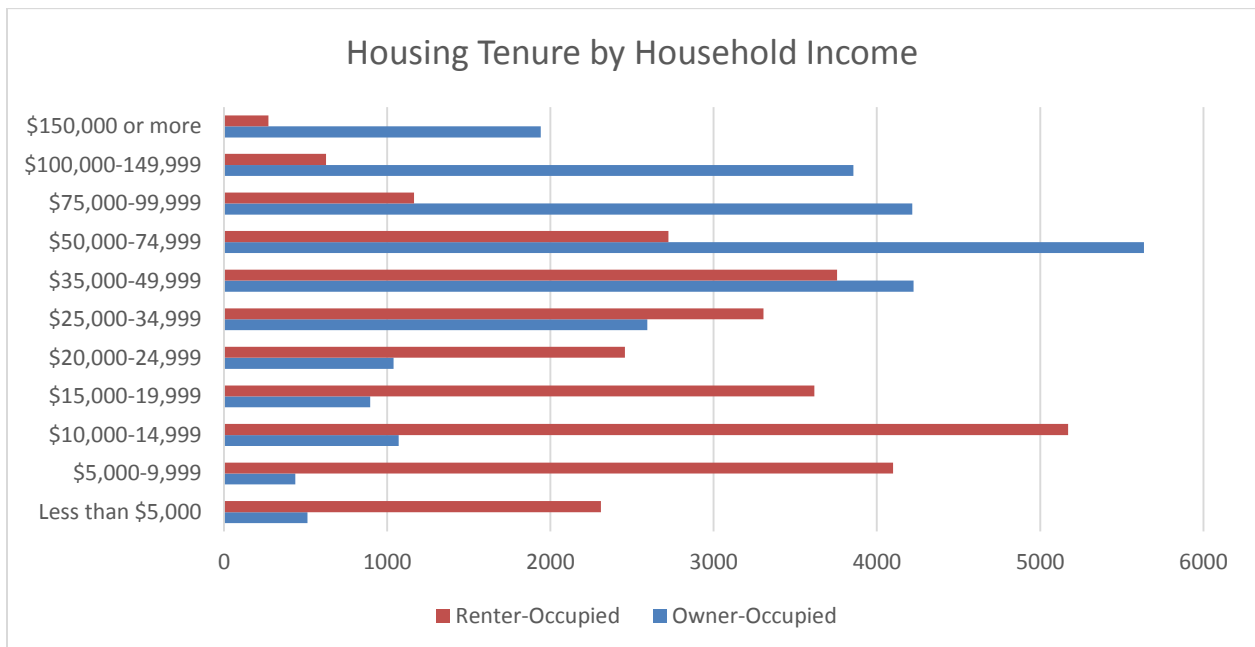
US Census, ACS 5-year, 2016

Homeowners are disproportionately white. Although non-Hispanic whites make up only 41% of Springfield households, this demographic makes up 75% of the City’s homeowners. A recent study determined that Springfield has the seventh highest racial and ethnic homeownership disparity of any major U.S. city.² The gap is largest among Latinos, who constitute 38% of the city’s households, but only 19% of its homeowners.



US Census, 2016 ACS 5-Year

Homeowners generally have higher household income than renters.



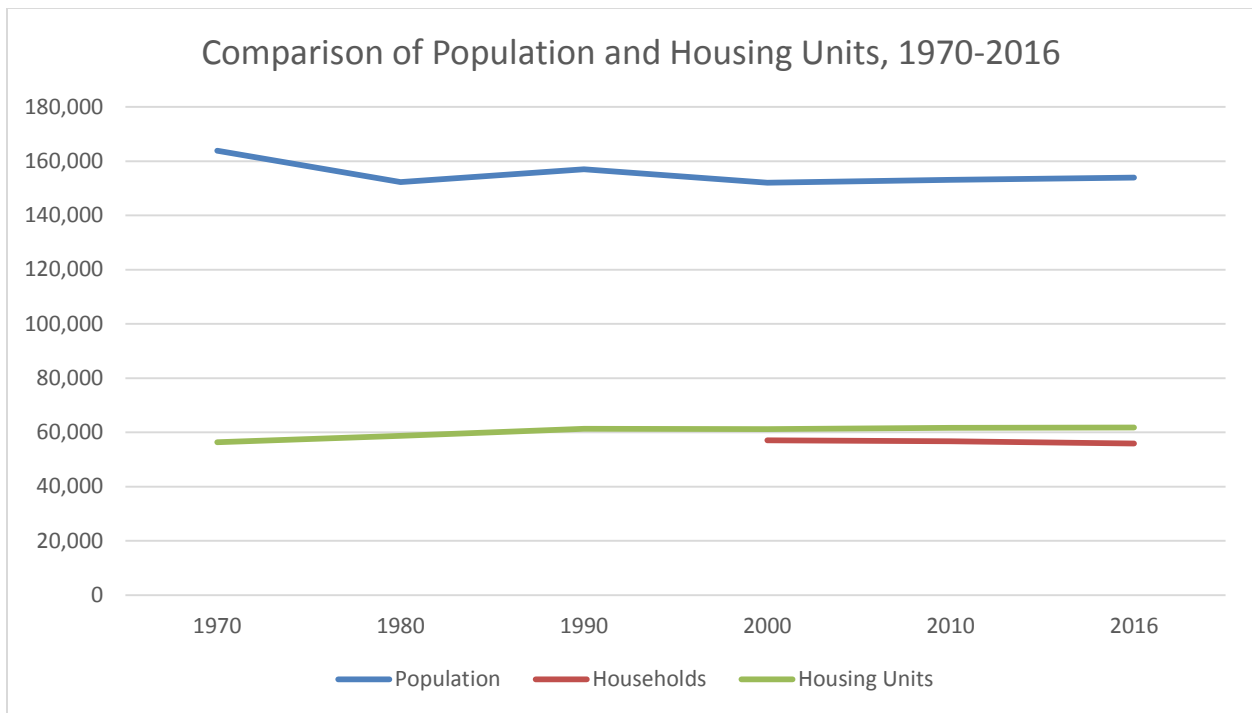
US Census, 2016 ACS 5-Year

² Wallace, The Diversity Gap in America’s Housing Markets, Aug. 30, 2017, <https://smartasset.com/mortgage/the-diversity-gap-in-americas-housing-markets>

Housing Market Factors

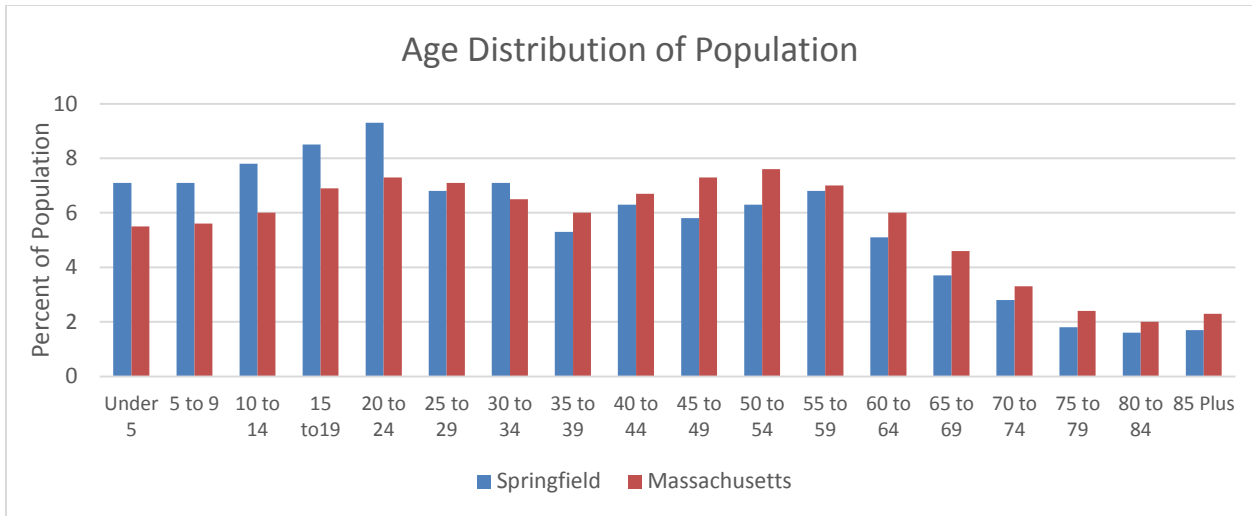
The Springfield housing market is in recovery following the 2007-2010 foreclosure crisis, but it is not experiencing the extreme overheating taking place in eastern Massachusetts. While the Boston area is seeing large population increases (translating into increased numbers of households) which outpace increases in development of housing units, Springfield's population has remained steady since 1980. The population of Hampden County (outside Springfield) has grown very slightly—3%—since 2000, and this growth has been captured outside the city.

While Springfield's population has remained nearly level (the population has increased 1.3% since 2000), the number of households has declined 2.1% since 2000, with an associated growth of average household size from 2.66 to 2.75 persons. The number of housing units has remained stable: the slow pace of development of new housing units matches the number of units lost. The 2016 ACS Census estimated almost 6000 more housing units than households in Springfield.



US Decennial Census, 1970—2010; 2016 ACS 5-Year; household data available beginning 2000

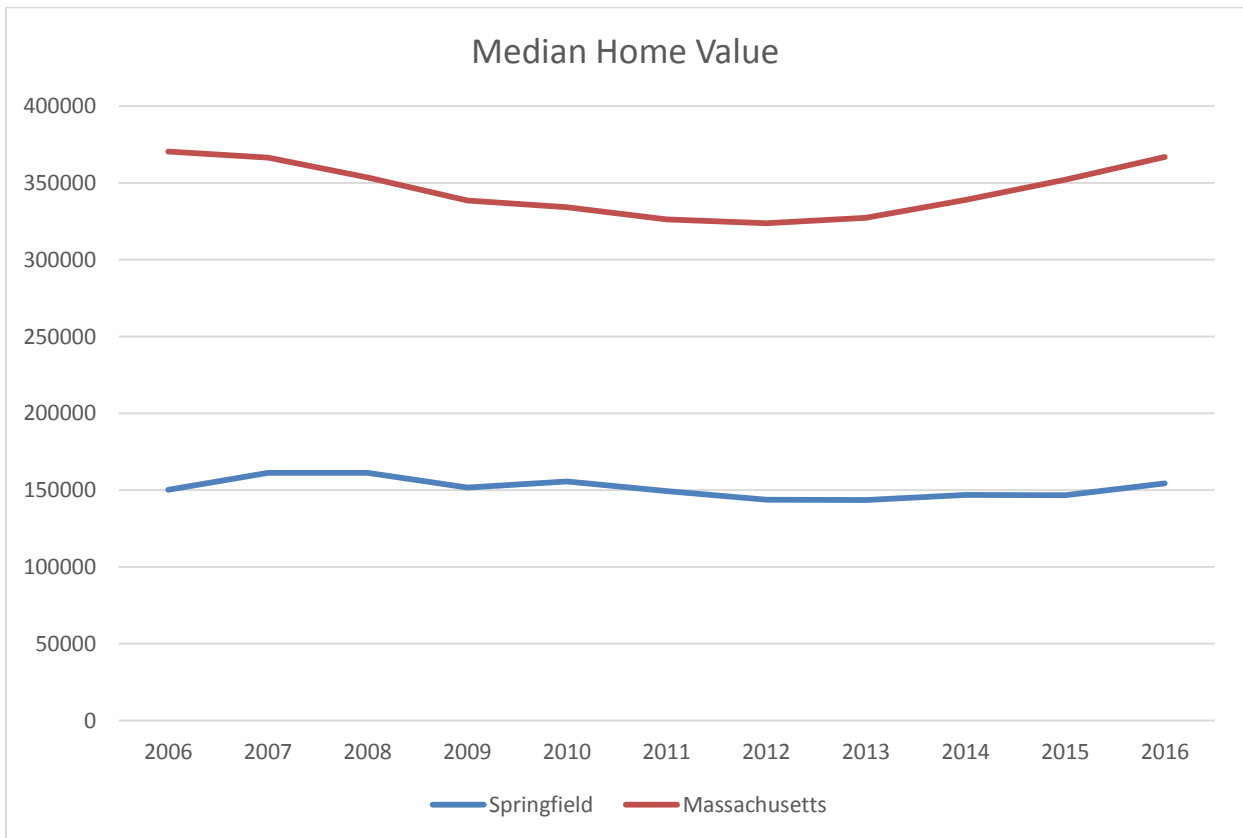
The City's population is younger than that of the state, with higher numbers of children and young adults, and fewer people in every age range over 35. The age distribution indicates more families, which would correlate with increased household sizes and demand for units with multiple bedrooms.



US Census, 2016 ACS 5-Year

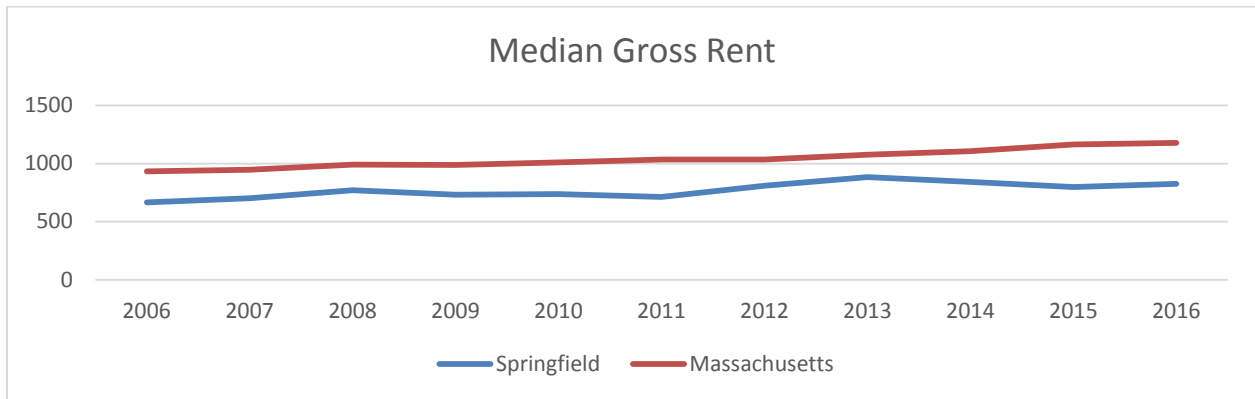
Cost

Homeownership in Springfield is comparatively affordable. In 2016, the median home value was \$154,300, which is 42% of the statewide median value. The median value is just below where it was in 2008, before the impact of the foreclosure crisis was reflected in dropping home values. The recovery of value is slightly less complete than it has been statewide, but the Springfield market also experienced a less extreme drop in value than what took place statewide.



US Census, 2016 ACS 5-Year

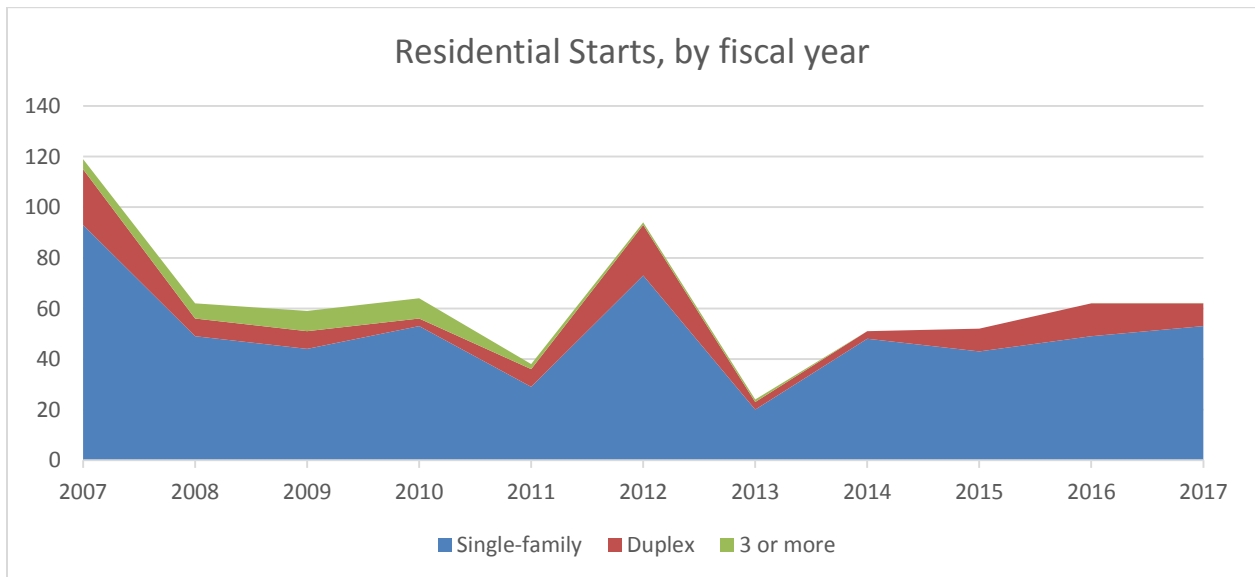
Springfield rents are also modest compared to the rest of Massachusetts and to the national average. The median gross rent in Springfield in 2016 was \$871, equal to 74% of the Massachusetts median gross rent of \$1179, and 89% of the U.S. median rent of \$981. The measure of gross rent includes the combined cost of rent and utility costs. Springfield gross rents are rising at a rate comparable the state average but have remained consistently lower than state median gross rents. Rising rents are a problem for low-income renters, particularly those on a fixed income. At the same time, stagnant rents do not keep pace with carrying, operating, and maintenance costs, so are associated with poor housing conditions and abandonment.



US Census, ACS 1-year estimates, 2006-2016

New Construction

Springfield is a fully built-out city, with very little developable land, and has had a weak housing market, so the City has not experienced much new residential construction. The new buildings that are constructed are generally infill or small development projects and are single-family homes or duplexes. In late 2011 and 2012, most new homes constructed were replacements for homes destroyed in the 2011 tornado—either by homeowners with insurance coverage, or by developers using subsidy funds. There have not been any starts of new residential buildings with more than two units since 2011.



City of Springfield Building Division

New home construction costs average \$120 per square foot, so even a modest 1600 square foot home costs approximately \$192,000 to build, *plus* the cost of land. With home values below \$200,000, there is no profit in new construction. Unless values increase, infill construction will be primarily limited to that subsidized by the City or created through sweat-equity or charitable efforts.

Home Sales

Since 2000, the average number of single family homes sold annually in Springfield has been 1048, with a dip in sales bringing the number under 1000 per year during the years 2008 to 2015.³ The lowest number of sales during this period was 774 in 2011. In 2016, 1142 units were sold. The median sales price for single-family homes sold in 2016 was \$139,000, down from a high of \$153,000 in 2006.

For multi-family homes, the average number sold since 2016 has been 308. The number has been below average over the last several years, with 238 multi-family homes sold in 2016. The median sales price for a multi-family home in 2016 was \$136,250.

Vacancy Rates

Springfield's homeowner vacancy rate is 1.6%, which compares to the national rate of 1.5%, and the Hampden County rate of 1.2%.

The 2016 Springfield rental vacancy rate is 5.0%, which compares to 3.98% for Massachusetts and 3.46% for Boston. The rental vacancy rate for Hampden County is 4.3%.

Foreclosure

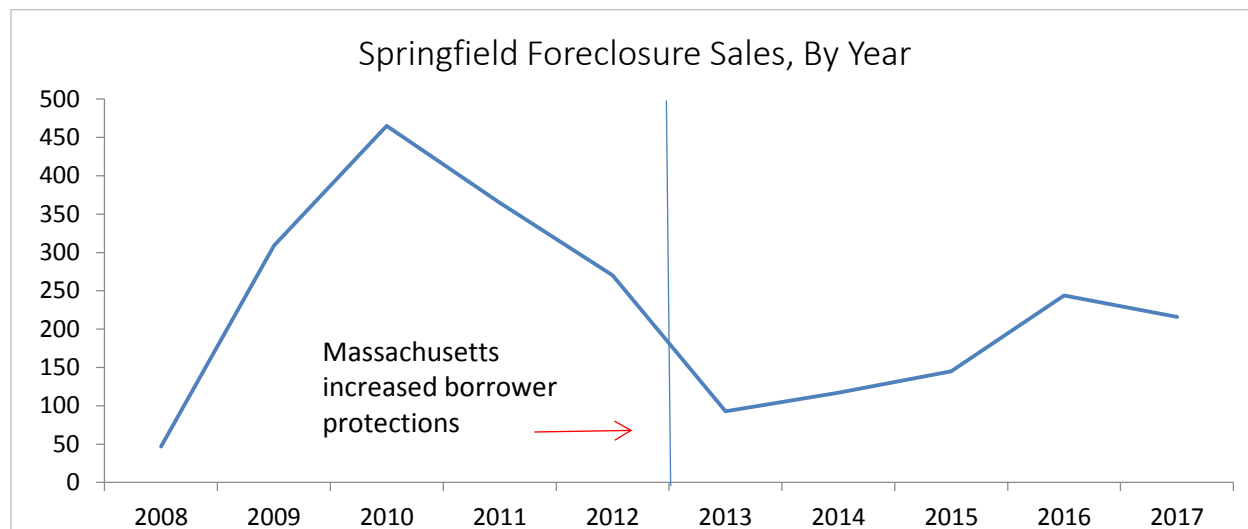
Springfield was heavily impacted, as were so many other cities, when the relaxed lending standards of the subprime boom in the early 2000s caused a temporary bubble in housing costs and valuations. Homeowners and investor-owners borrowed to pay inflated home prices or to take inflated home equity value out of houses, leaving them just a few years later with mortgages that were more than the value of the home. The City experienced a spate of property-flipping, with investors buying and selling among themselves with artificially propped up prices and mortgages covering the entire cost. In 2007, as lending tightened and values dropped, homeowners were left underwater and at significant risk if household income dropped. Irresponsible investors just walked away when their properties became worth less than what they owed.

Foreclosure sales resulting from the subprime lending crisis peaked in 2010, with 465 foreclosure sales, with a second round peaking in 2016 with 244 sales. The appearance of the second peak is due to the presence of increased borrower protections in Massachusetts which were effective August 2012 and suppressed numbers after that time as lenders came into compliance. The foreclosure process takes around two years, so the backlog from 2012 started being processed in 2014 and began being completed in 2016. The secondary spike in foreclosures occurred statewide, and state data indicates that

³ Data for this section on home sales is from the 2016 Sears Report, https://www.scribd.com/document/364730174/the-Sears-Report-v-2016?secret_password=2mZBWWiHmBOG7rtSuPKP#fullscreen&from_embed

more than 60% of right-to-cure notices (the first step toward foreclosure) in 2016 were for mortgages that originated during the subprime lending years of 2004 to 2007.⁴

There were 216 foreclosure sales in Springfield in 2017, which is down 53% since 2010.



MA Division of Banks, Foreclosure Petition website

In June 2018, Realty Trac reported 607 Springfield properties in some stage of foreclosure (default, auction or bank owned), with 244 Springfield homes in pre-foreclosure, 200 in auction, and 163 homes bank owned. One legacy of the foreclosure crisis is properties with very complex title problems due to multiple sales of mortgages between lending and investment institutions, and improper foreclosure practices.

Income-Restricted Affordable Housing

There are two primary types of affordable housing assistance available to tenants in Springfield: units which are income-restricted, and housing vouchers which enable a tenant to rent a unit in the private market but pay a reduced amount of rent—with the housing voucher assistance making up the difference.

Income-restricted units. The 2017 Massachusetts Subsidized Housing Inventory indicates that Springfield has 10,192 units of housing reserved for households with incomes at or below 80% area median income.⁵ Of these, 2,397 are public housing units owned and operated by the Springfield Housing Authority and the remaining units are in various other programs, most of which are subsidized rental units in privately-owned buildings. Analysis of the 2017 Massachusetts Subsidized Housing Inventory indicates that 50% of all Hampden County income-restricted units are in Springfield. It is common for the subsidized units that exist in suburban communities to be elderly-only housing.

⁴ MA Division of Banks, Foreclosure Trends Report 2016, <http://www.mass.gov/ocabr/docs/dob/2016foreclosurereport.pdf>

⁵ Units have varying levels of affordability. Public and subsidized housing units are “deeply subsidized,” meaning that a household’s rent is set at 30% adjusted income and the subsidy pays the difference. Buildings supported by the Low Income Housing Tax Credit (LIHTC) usually have a unit mix, with units reserved for households with incomes at or below 30% AMI, 50% AMI, 60% AMI, and 80% AMI. Some may include some market rate units, but these would not be counted on the Subsidized Housing Inventory.

Housing vouchers. Housing vouchers enable a household to pay 30% of monthly income for rent, with the subsidy making up the difference. The Springfield Housing Authority administers 2,973 federal and state housing vouchers in Springfield, and Way Finders, Inc. administers 3,450 housing vouchers. Way Finders is a *regional* housing agency, serving Hampden and Hampshire counties. Vouchers are portable and may be used to rent units outside the geographic area of the issuing housing agency. However, in the Pioneer Valley, most vouchers are used in Springfield and Holyoke. A 2012 analysis by the Pioneer Valley Planning Commission determined that the combined number of housing vouchers in the region from all sources was 9,900, and that about 60% of those voucher holders lived in Springfield.⁶

Housing voucher rent maximums (called fair market rents, or FMRs) are set by the U.S. Department of Housing and Urban Development (HUD) annually and are calculated to the rent level at which at 40% of the units in the metropolitan statistical area (MSA) could be rented. Springfield's MSA encompasses Hampden, Hampshire and Franklin Counties, which includes some high-rent communities. Because of the broad geographic area and wide spread of community rents, voucher-holders are priced out of some towns. In Springfield, where rents are in the lower range of communities in the MSA, the high number of voucher holders props up the rental market. The FMR is close or equal to the market rent, and there are few units available for less than the FMR.

⁶ Id., p. 92, <http://www.pvpc.org/sites/default/files/PV%20Housing%20Plan.pdf>

Housing Needs

Unit Condition

As might be expected in a City with an aged housing stock and weak market, much of Springfield's housing, particularly in the lowest-income neighborhoods, is in poor condition. Over the last three fiscal years, the City's Code Enforcement department has cited 1200-1400 individual addresses annually for interior state sanitary code violations, or about 5% of all rental units per year. Code Enforcement responds to tenant complaints, so this number excludes owner-occupied units and those with tenants who do not complain to the City.

Housing conditions can lead to poor health. Many types of housing conditions problems found in Springfield units—including leaky roofs, water damage (with resulting mold), and mice infestation—are asthma triggers, and Springfield has particularly high rates of asthma for both children and adults. Poor housing conditions that trigger asthma attacks cause emergency room visits, hospital stays, and missed days of school and work.

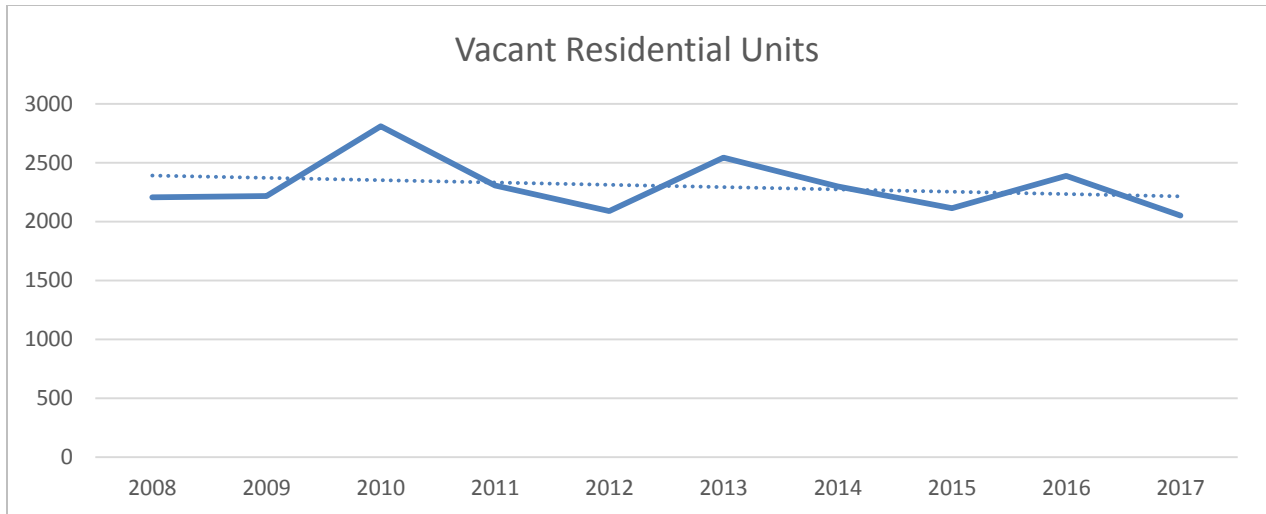
In addition to other problems with housing unit condition, the age of Springfield's housing indicates the likely presence of lead paint in units. HUD estimates that 90% of residential structures built prior to 1940, 80% of structures built between 1941 and 1959, and 62% of structures built between 1960 and 1979, contain lead-based paint. Applying these percentages to the Springfield housing stock yields over 40,000 units likely to have contained lead-based paint. Strong lead paint laws in Massachusetts have resulted in remediation or abatement of lead in a sizeable number of properties, making this number a likely over-estimate, but significant risk remains. In 2016, 218 Springfield children aged 9 months to 4 years were estimated to have confirmed elevated blood lead levels ≥ 5 mgl, which has been identified by the Centers for Disease Control as the level of concern for lead exposure.⁷ Even low levels of lead in blood have been shown to negatively affect IQ, ability to pay attention, and academic achievement.

Vacancy, Blight and Neighborhood Stabilization

The US Postal Service reports that there are 2051 long-term vacant residential units in Springfield in 2017, or 3.3% of all housing units. These are addresses at which there has been no mail collection for 90 days or longer. The 2007-2010 foreclosure crisis led to an increase in vacant units in the City, most notably in 2010, when the US Postal Service reported 2810 vacant units. The 2017 number is down 27% since the high in 2010.

Vacant units are concentrated in a few neighborhoods, which have long-term vacancy rates over 6%: Memorial Square, Metro Center, Old Hill and parts of Forest Park.

⁷ MA Department of Public Health, Childhood Lead Poisoning Prevention Program, <http://www.mass.gov/eohhs/docs/dph/environmental/lead/stats/screening-and-prevalence-statistics-by-community-cy-2016.pdf>



USPS Residential Vacancy, 2008-2017, data indicates number reported for the second quarter of each year

When a vacant property becomes dilapidated, attracts illegal activity, is a fire hazard or is in a condition which makes it a safety hazard, the City cites the property as blight.⁸ In FY12, at its highest level, the City had 251 blighted properties. In FY17, the number was down to 118. Blight is a significant problem, not only because it represents a hazard to neighbors, but also because it has a negative impact on nearby property values—a condition that can lead to additional abandonment. Low-income neighborhoods are disproportionately impacted by blight.

Fair Housing

Analysis of 2010 Census data indicates that the Springfield metropolitan area is highly segregated.⁹ Based on comparisons of metropolitan areas using the dissimilarity index (a measure of the degree to which a minority group is distributed differently than whites across census tracts), the Springfield metropolitan statistical area is first in the nation for Hispanic-White segregation, and number 22 in the nation for Black-White segregation. The Springfield metropolitan area is 70% white, but the City of Springfield (as well as neighboring Holyoke) are majority-minority cities, where most of the population is black or Latino. Within the metropolitan area, 75% of blacks and 74% of Hispanics live in Springfield or Holyoke. In contrast, only 16% of the metropolitan area's whites live in Springfield or Holyoke.

Our nation—and our region—have a legacy of harmful but once-lawful acts which contributed to patterns of segregation, including redlining and enforcement of racially restrictive covenants. While these overt types of discrimination were made illegal by the 1968 Fair Housing Act, the continuing impact of these and other discriminatory practices mean that people of color have an inter-generational history of less family wealth and economic opportunity than whites. In the present day, racial

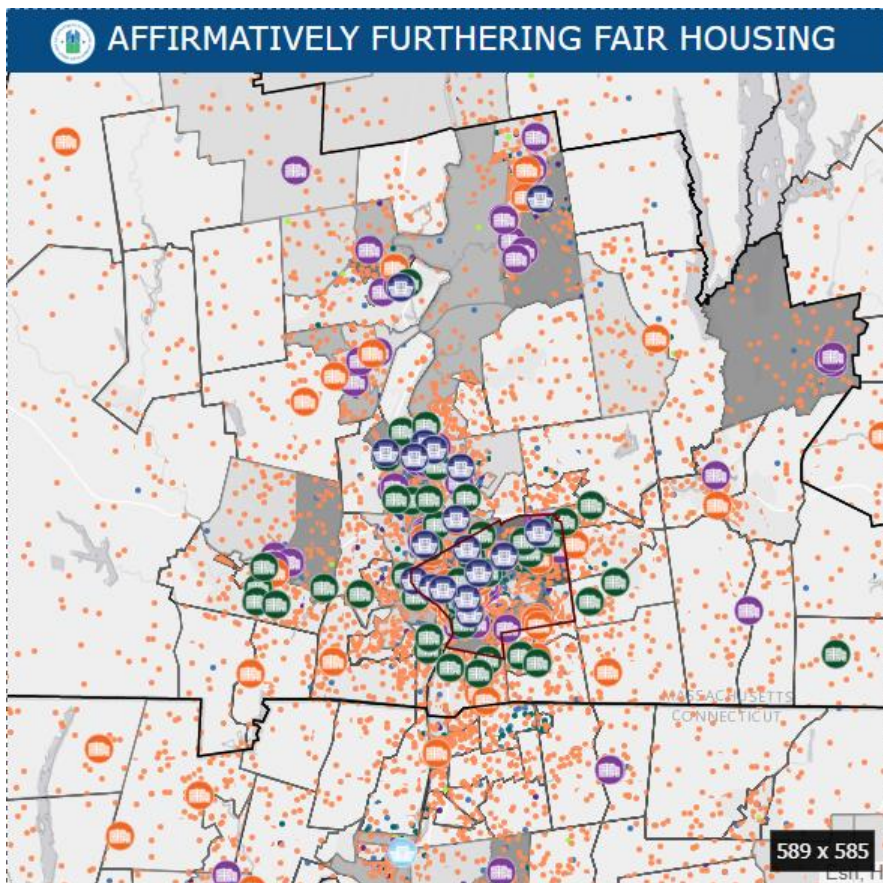
⁸ Springfield City Ordinance Ch. 285-3 defines blighted property as any vacant building, structure or parcel of land in which at least one of the following conditions exist: A. It is becoming dilapidated as documented by the Code Enforcement Department; B. It is attracting illegal activity as documented by the Police Department; C. It is a fire hazard as determined by the Fire Marshal or as documented by the Fire Department; and D. It is determined by the Code Enforcement Department that the building, structure or parcel of land is in a condition which poses a serious threat to the safety, health, morals and general welfare of the City.

⁹ University of Michigan Population Studies Center, Institute for Social Research, Race Segregation for Largest Metro Areas, <https://www.psc.isr.umich.edu/dis/census/segregation2010.html>

discrimination tends to be continued through economic discrimination. Communities with little or no affordable housing disproportionately limit the number of black and Latino households that can afford to live in the community.

A 2014 regional fair housing assessment¹⁰ for Western Massachusetts and the Connecticut Capitol Region identifies the concentration of affordable housing as one of the factors that contribute to the region's segregation. Specifically, the fact that affordable housing is primarily available only in Springfield, Holyoke, and Chicopee limits the ability of low-income people of color to choose to live in other communities throughout the Pioneer Valley. Visual mapping of our region illustrates the overconcentration in Springfield and, to a lesser extent, Chicopee and Holyoke.¹¹

In the maps included here labeled Affirmatively Furthering Fair Housing, colored circles with buildings in them represent affordable housing buildings or developments. The grey shading reflects the percent of Section 8 voucher units in the census tract. The map to the left shows the concentration of both subsidized buildings and housing voucher users in Springfield, Chicopee and Holyoke. The maps under-

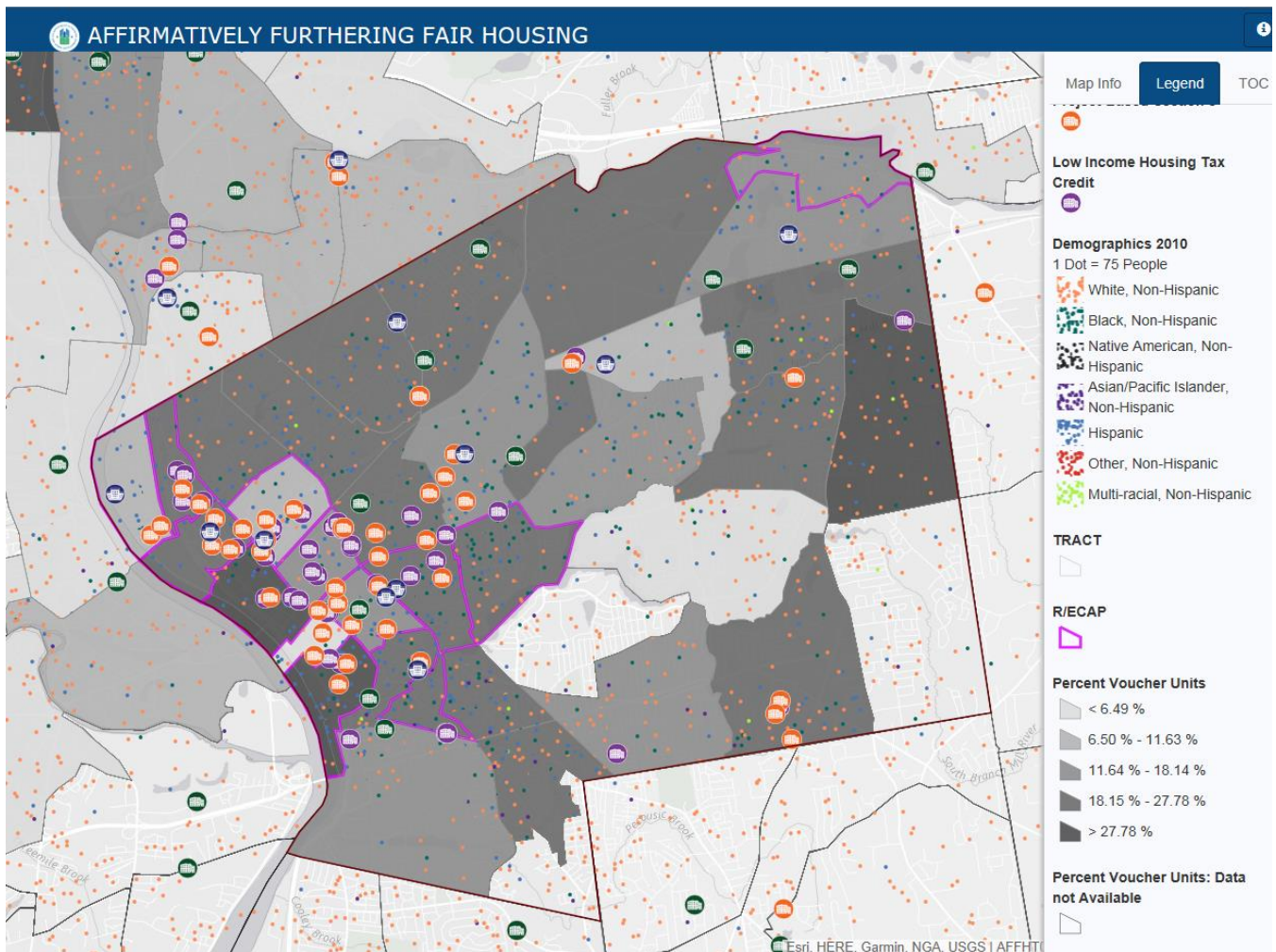


represent the full extent of the problem, because each circle can depict a complex with just a few units or with hundreds, and many Springfield complexes are very large. Further, the substantial number of circles on the map for the city of Springfield cover the underlying shading. (Note: The colors for each circle represent the funding type for each building; this portion of the legend was omitted when the maps were downloaded, and the tool is no longer fully operational and can no longer replicate these maps.)

The map on the next page, with an expanded view of Springfield, makes the concentration of section 8 voucher usage more visible.

¹⁰ Knowledge Corridor Fair Housing and Equity Assessment, prepared by the Capitol Region Council of Governments, Pioneer Valley Planning Commission, and the Connecticut Fair Housing Center, 2014, <http://www.ctfairhousing.org/wp-content/uploads/FHEA-11-19-14-Final-Report.pdf>

¹¹ Maps labeled "Affirmatively Furthering Fair Housing" created using the U.S. Department of Housing and Urban Development Affirmatively Furthering Fair Housing Data and Mapping Tool, <https://www.hudexchange.info/resource/4867/affh-data-and-mapping-tool>.



Within Springfield, there are 13 census tracts which meet the characteristics of a Racially/Ethnically Concentrated Area of Poverty (R/ECAP). These are census tracts where more than 50% of residents are people of color, and the poverty rate exceeds 40%. All the R/ECAPs in our region are in Springfield and Holyoke. In the large map, Springfield's R/ECAP census tracts are outlined in purple. The tracts are in the North End, Metro Center, Six Corners, lower Forest Park, Mason Square and Indian Orchard.

Places become R/ECAPs through a combination of public spending (highway construction, slum clearance, public and subsidized housing) and discriminatory housing practices which has limited the neighborhoods that people of color could access (redlining, restrictive covenants, housing discrimination).

Policymakers emphasize R/ECAPs because these are places with entrenched and long-standing poverty. Once an area becomes a R/ECAP it tends to remain and grow. The circumstance of living in a R/ECAP neighborhood is correlated with worse health, education and employment outcomes. Research has shown that segregated housing is not only a symptom of poverty, but also a key driver of continued poverty because it spatially isolates households from critical assets, resources, transportation, institutions, employment opportunities and networks.

Affordability

Housing costs in Springfield are less than average costs in Massachusetts, but that does not make them affordable to Springfield households. Affordability includes a comparison of household income and housing costs. Springfield has a significant low-income population; 39% of Springfield households—about 21,600—have annual income under \$25,000. With income at this level, there is little money available to pay for housing.

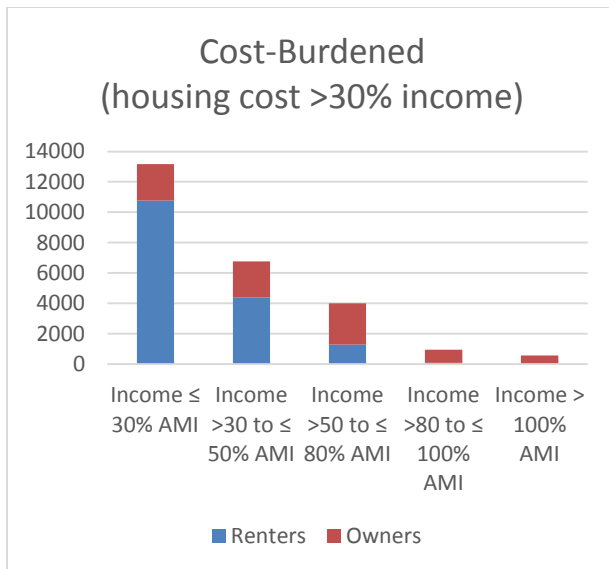
In the private (unsubsidized) market, homeownership can be more affordable than rent. Several factors contribute to the affordability of homeownership in Springfield, particularly home values that are about where they were in 2008 and continuing low mortgage interest rates. These two factors mean that a home can be purchased for lower monthly payments now than it could ten years ago.

While many loans require a minimum 3% down payment, Springfield's first-time homebuyer program can bring that amount down to 1% for many homebuyers. Small homes in stable neighborhoods are available for \$130,000; with 1% down, a 4.175% interest rate, and with private mortgage insurance (PMI, usually required when the buyer does not contribute a 20% down payment), monthly payments are less than \$750 per month.

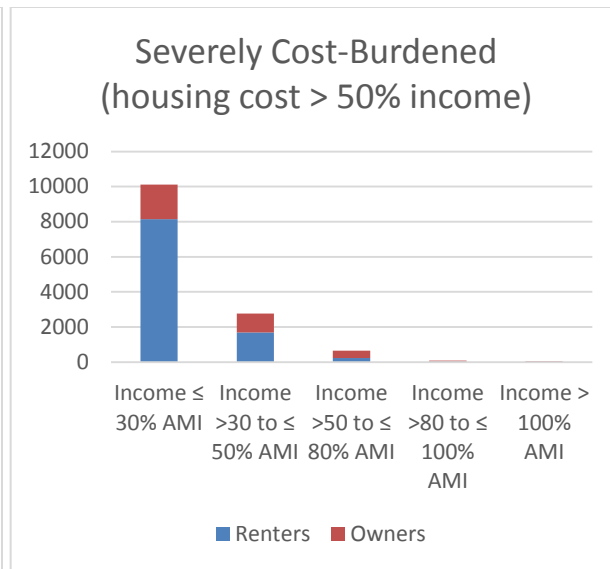
Unlike home values, rents did not experience a steep drop in the recent recession. Over the ten-year period 2006-2016, gross median rents in Springfield rose a total of 24%, or 2.4% per year. Annual increases of 2-3% are considered sustainable, in range with rises in the consumer price index, and expected as cost-of-living expenses. At the same time, on an individual level, renters can only afford annual increases if incomes are rising.

A concern in Springfield is that incomes, particularly for the lowest-income households, have not been rising, a problem impacting low-income households throughout the nation. (And in contrast with the highest-tier incomes, which have been outpacing rises in the Consumer Price Index.) For the bottom income tier of Springfield households, with current incomes of less than \$20,000, incomes rose just 14% from 2000 to 2014. Generally, these households can only afford public or subsidized housing or shared housing with family or friends, and the gap between their incomes and market rents has been growing.

According to 2017 Comprehensive Housing Affordability Strategy (CHAS) data (based on 2010-2014 ACS data), almost a quarter of all Springfield households (10,105 renters and 3,565 homeowners) pay more than 50% of income for housing. An additional 6,460 renters and 5,340 homeowners pay 30-50% of income for housing. Combined, 46% of Springfield households are cost-burdened, meaning they pay more than 30% of income for housing. Among renters, 57% are cost-burdened, and 33% percent of homeowners are cost-burdened.



HUD CHAS data, based on 2010-2014 ACS



HUD CHAS data, based on 2010-2014 ACS

Not surprisingly, housing cost burden is highest among those with incomes at or below 30% of area median income (AMI). Thirty percent of the 2017 Median Family Income is just under \$20,000 annually.¹² Springfield has 17,602 households with incomes at this level. Of these, 8,150 renter households pay more than 50% of income for rent; another 1,960 of these households are owner-occupants paying more than 50% of income for housing cost.¹³

One factor that stands out is that 52% of renters (8,150) with incomes at or below 30% AMI are paying more than 50% of income for rent. This is the population most in need of public and subsidized housing, where rents would be capped at 30% of income. There is a total of 17,602 households in need of this housing, and over 15,000 vouchers and income-restricted housing units in the City, indicating that there is not a good match between the lowest-income residents and assisted housing opportunities.

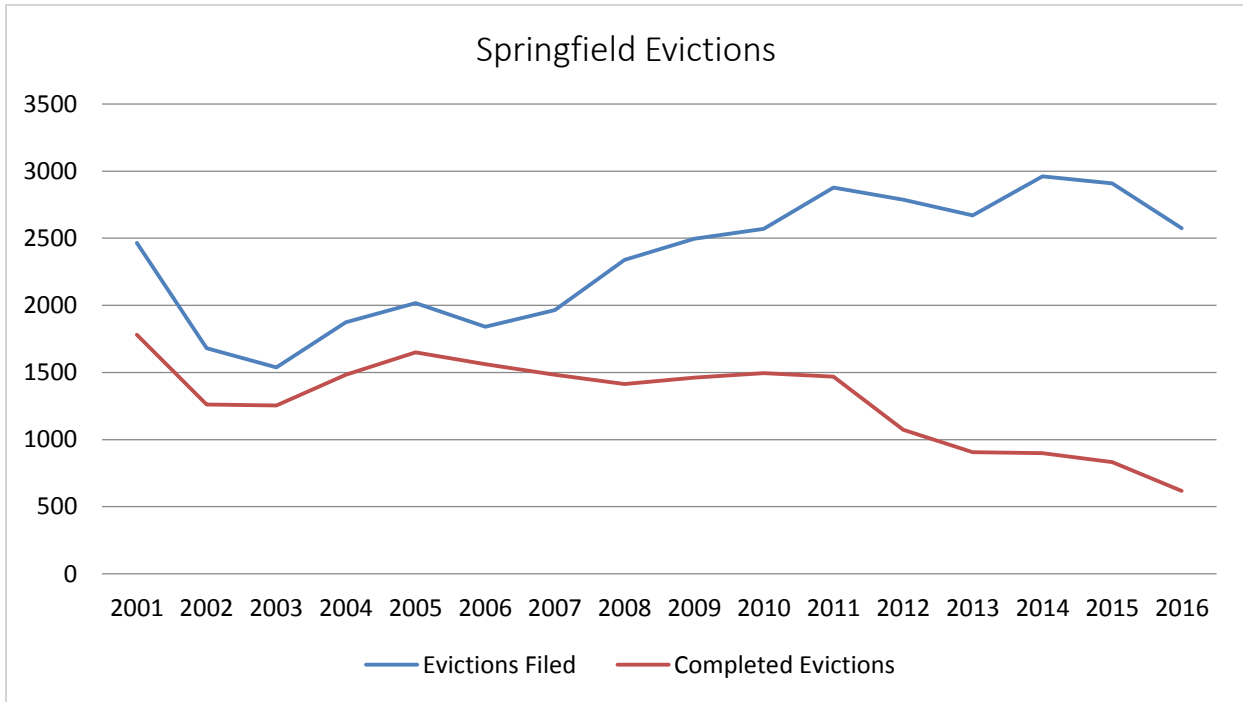
One way that people manage inability to afford housing cost is by combining households. Census data shows that the number of persons in subfamilies in Springfield increased from 3,501 in 2005 to 8,745 in 2016. (2005 and 2016 1-year ACS). Subfamilies are a married couple (with or without children) or parent and child living in the household of another person. These may include, for example, a multi-generational household where a parent and child live in a grandparent's home.

Households with high housing cost burdens are at risk for eviction. In 2016, according to data collected by the Eviction Lab,¹⁴ there were 2,575 evictions filed for Springfield properties, and 618 actual evictions. The number of completed evictions in 2016 was the lowest number recorded since data collection started in 2001. The likely explanation for this is increasing state investment in housing prevention—shown in the second chart on the next page—which provides funds to pay off arrears to resolve an eviction case.

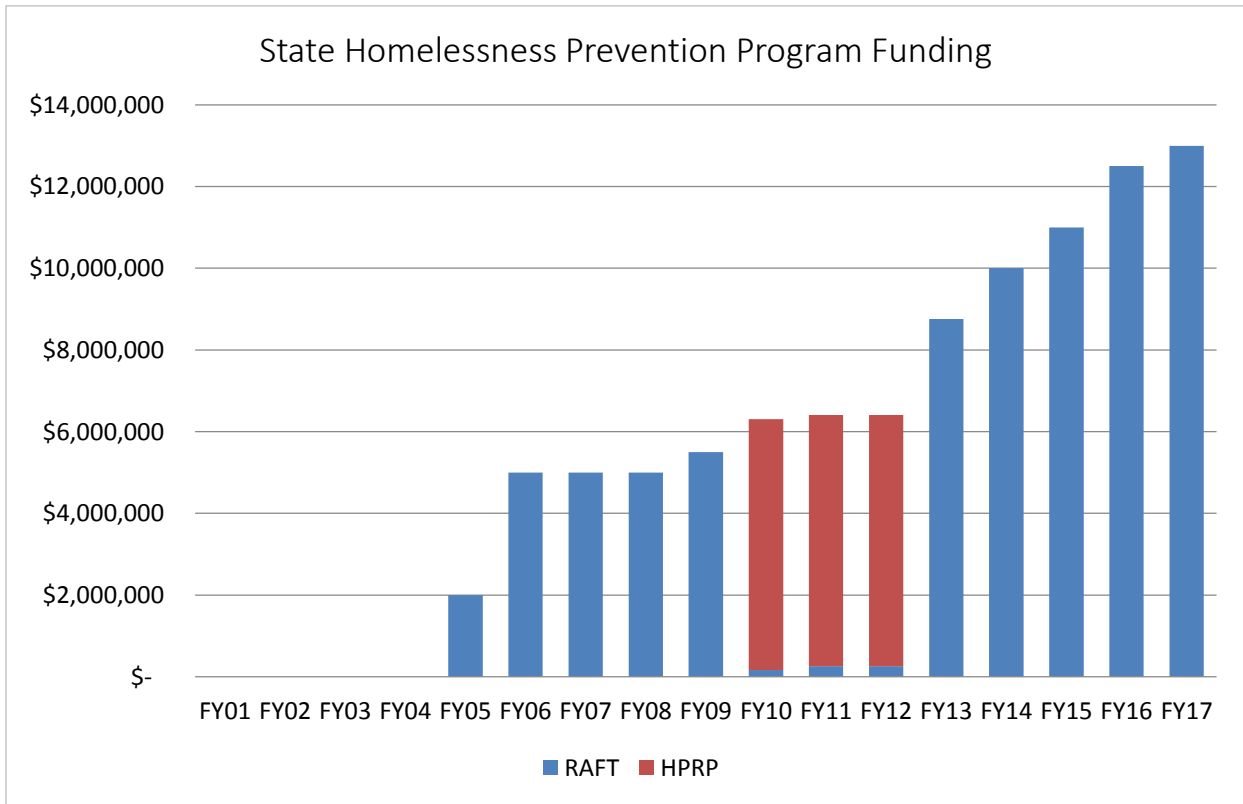
¹² HUD calculates AMI as a general average Median Family Income (MFI) in addition to calculating it for each household size, such as for 1-person, 2-person, etc. This analysis is using the MFI. MFI data available at https://www.huduser.gov/portal/datasets/il/il2017/select_Geography.odn

¹³ This number is from the most recently-available HUD CHAS data, which is for the period 2010-2014.

¹⁴ <https://evictionlab.org>



Source: Eviction Lab, <https://evictionlab.org>, Massachusetts data downloaded, and Springfield extracted



RAFT levels, http://www.massbudget.org/browser/line_item.php?id=7004931600&inflation=cpi; HPRP funding, <https://www.huduser.gov/portal/sites/default/files/pdf/HPRP-Case-Study-Massachusetts.pdf>

Homelessness

While many people think of “the homeless” as an unchanging group of people, most people who experience homelessness have a one-time housing crisis and shelter stay. To meaningfully quantify the numbers of an ever-changing population, the level of homelessness is measured in two ways: the number of people experiencing homelessness at a single point in time, and the number who experience homelessness over the course of a year. Further, the data on homelessness in Springfield is measured as part of the data for Hampden County, without separating for municipalities. A county-wide view is appropriate because people readily cross geographic boundaries to access shelter, and most of shelter beds in Hampden County are in Springfield. The number of people accessing shelter in Springfield includes many who were previously housed outside Springfield. The family shelter system is operated by the state of Massachusetts, which prioritizes placements within 20 miles of original home community but can place homeless families in any opening in the statewide system.

The data collection that is done is standardized across the country by the U.S. Department of Housing and Urban Development (HUD), which mandates that the count report people who are literally homeless—that is, people who are unsheltered, in emergency shelter, or in transitional housing for homeless people. The numbers in this section do not include people who are staying with family or friends, “doubled up,” “couch-surfing” or otherwise experiencing housing instability that does not meet the definition of literally homeless.

The most recent annual point-in-time count took place on January 31, 2018. The number of people who were homeless that night (meaning unsheltered, in emergency shelter, or in transitional housing for homeless people) in Hampden County was 2,321.¹⁵ This included 312 individuals without children and 2,009 people in families. Most people counted were in shelter or transitional housing; 44 were unsheltered.

Over the course of the year October 1, 2016 to September 30, 2017, 5,273 people in Hampden County experienced homelessness. This number includes 1,384 individuals and 3,889 persons in families.

National data indicate that most people that experience homelessness have experienced a one-time crisis and have one shelter stay that lasts 30 days or less. In Massachusetts, this trend is accurate for individuals without children, but Massachusetts families with children tend to have much longer shelter stays—due, in part, to the state’s practice of sheltering families in furnished individual apartments, where they may remain until they find feasible alternative housing.

Given the number of severely rent-burdened local households, it is not surprising that each year 3,100 people in Hampden County experience homelessness for the first time. For these households, Springfield and the state of Massachusetts provide financial assistance used for preventing homelessness, or rapid rehousing once a household loses housing. (Rapid rehousing is the term used to describe financial assistance which pays for a security deposit and the first or some months of rent.) Both the prevention benefit (up to \$4000) and the rental assistance benefit (\$8000 from the state, or up to 12 months’ subsidy from local charities) is a significant amount of added income in the year that it is received and assists households to stabilize, but it is time-limited. The goal of prevention and rapid

¹⁵ Note that the numbers from the point-in-time count exclude an additional 1047 people, in 329 families, who were displaced from Puerto Rico due to 2017 hurricanes, and were staying in Hampden County hotels paid for by FEMA on the night of the point-in-time count.

rehousing assistance is to gain a household more time to increase income, work out other arrangements such as shared housing, or advance on waitlists for public or subsidized housing. In the past several years, there has been emphasis on providing employment-focused assistance to households during the period they are receiving rapid rehousing assistance.

Chronic Homelessness

Nationally, data shows that about 20% of homeless individuals and 5% of homeless families are chronically homeless, that is, they are continuously or repeatedly homeless, and the individual or an adult in a family has a disabling condition.¹⁶ People who are chronically homeless are often high users of public services, including mental health, emergency rooms, police services, and the criminal justice system. As a result, they are very costly. They are also often both in poor health and vulnerable. For these reasons, the City has for many years placed a focus on housing chronically homeless individuals in permanent supportive housing. The 2018 point-in-time count identified 59 chronically homeless individuals in Hampden County, down from 96 at the 2013 count. There were also 39 chronically homeless families in shelter at the time of the 2018 count.

Homeless Veterans

During FY17, 64 veterans stayed in emergency shelter in Hampden County, most with very short stays. The 2018 point-in-time count identified 19 veterans. The federal government has prioritized this population for housing and services, and Springfield providers have set up a system to quickly screen for veteran status and connect these individuals to appropriate services. As a result, very few veterans have extended periods of homelessness. Those that do are usually veterans who are not eligible for Veterans Administration housing assistance, due to discharge status or lack of sufficient time in the military.

Youth Homelessness (Age 18-24)

During FY17, 587 youth aged 18-24 stayed in emergency shelter in Hampden County. Of these, 186 were in their own, and 401 were parenting or with their own parents. At the time of the 2018 point-in-time count there were 35 youth on their own and 106 parenting youth who were homeless.

Family Homelessness

During FY17, 3,889 persons in 1,141 families stayed in emergency shelter in Hampden County. Of this number 2,391 were children under 18. At the time of the 2018 point-in-time count there were 2009 people in 568 families in emergency shelter or transitional housing. This number included 39 families that were chronically homeless.

¹⁶ The federal government defines chronic homelessness as having a disability and being homeless for a year or longer or four or more times in the last three years, adding up to a total of 12 months of homelessness.

A Changing Market

There are indications that the Springfield housing market is changing. Even prior to the 2007-2010 national foreclosure crisis, Springfield was what is considered a weak housing market, where the costs of renovation or new construction exceed the market value of the homes. The low values of a weak market encourage abandonment, do not support unsubsidized housing development, and lead to high levels of foreclosure. Signs of change have included the 2016 redevelopment of Silver Brick Lofts, current redevelopment of 122 Chestnut Street, and inquiries to the City about opportunities for new market-rate housing development. Median home value has just about recovered and is now about where it was in 2008. Generally, what drives a stronger housing market is population increase, where more people compete for each housing unit and drive up prices. Census data (which is not “current” due to the time lag from when it is collected to when it is published) has not yet shown increases to Springfield’s population, but prices may be reacting to the expectation of increased population, due to multiple economic development projects, including the MGM casino. The market may also be reacting to the existence or expectation of a segment of the Springfield population with higher income to spend on housing.

Recovered or increased values help with some aspects of the housing market. A stronger market gives developers reason to purchase and rehabilitate abandoned housing, improving neighborhood conditions. It makes foreclosure less likely, when values of homes rise above what is owed on them, letting owners sell rather than be subject to foreclosure. Improved values yield tax revenue for the City, enabling it to provide improved services to residents, including public safety and infrastructure.

But increased values are accompanied by increased housing costs, at least in the private housing market. Springfield’s median income is lower than that of Hampden County and Massachusetts, and 30% of the population has income below the poverty level. There is real concern about affordability of the housing stock to the City’s population. The fact that the City has a large stock of public and subsidized housing provides protection against rising costs, because rents in this housing do not rise with the market. And many homeowners are protected, both by locked-in housing payments and the lack of a rise in median home values. The population that is most threatened are renters in the private market.

City of Springfield Housing Resources and Programs

Federal Resources

Springfield's housing activities are primarily funded through federal sources. Springfield is an entitlement jurisdiction for the HOME Investment Partnerships Program and Community Development Block Grant (CDBG) Program. For FY2018, the City has been awarded HOME funds in the amount of \$1,579,372. HOME funds may be used to fund a wide range of housing activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. For FY2018, Springfield has been awarded CDBG funds in the amount of \$3,809,591. The CDBG program funds a broad range of community development, public service, economic development, infrastructure and housing needs; the City allocates some CDBG to housing and neighborhood stabilization needs, specifically home repairs, disposition of city-owned property, removal of blight and graffiti, and targeted code enforcement neighborhood sweeps.

The City has been able to supplement these annual awards with multi-year CDBG-Disaster Recovery (CDBG-DR) and CDBG-National Disaster Resilience (CDBG-NDR) grants, awarded to the City following a series of natural disasters in 2011-2013. The City expects activities under these grants to continue through 2022. Major housing-related activities being carried out under these grants are housing repair, the Healthy Homes program, and development of new homeownership housing in tornado-impacted neighborhoods.

Springfield also receives federal funds to address homelessness and the housing needs of person with HIV. Springfield is an entitlement jurisdiction for the Emergency Solutions Grant (ESG) Program, which funds the emergency response to homelessness—that is, homelessness prevention, emergency shelter, and rapid rehousing programs. Springfield's FY18 ESG allocation is \$309,679. Springfield operates as the Unified Funding Agency for Continuum of Care (CoC) Program funds for all of Hampden County. The CoC Program funds the long-term response to homelessness—permanent supportive housing and rapid rehousing programs. The CoC is governed by a Board of Directors which makes funding decisions, and the City administers the grant. The Hampden County FY18 CoC award is \$3,810,961. Springfield is also the recipient of Housing Opportunities for Persons with AIDS (HOPWA) funds for the Eligible Metropolitan Statistical Area (EMSA) made up of Hampden, Hampshire and Franklin Counties. The FY18 HOPWA award is \$585,390.

Grant	FY17 Award	Geographic Area
HOME	\$1,579,372	Springfield
CDBG	\$3,809,591	Springfield
ESG	\$309,679	Springfield
Continuum of Care	\$3,810,961	Hampden County
HOPWA	\$585,390	Eligible Metropolitan Statistical Area: Hampden, Hampshire & Franklin Counties

Springfield Programs

Homeowner Programs

First-Time Homebuyer, \$300,000 (HOME)

The City operates a first-time homebuyer program, which provides \$2,500 toward down payment/closing costs for households at or below 80% area median income purchasing a home in the City. The program uses an underwriting analysis to identify need for the funds, which results in provision of assistance to households unable to buy without the assistance.

The first-time homebuyer program is a key tool the City uses to affirmatively further fair housing, because it enables black and Latino households to enter the homeownership market. This program helps to alleviate the homeownership diversity gap. In FY16, 86% of assisted households were non-white—16% black and 67% Latino. Households can use the assistance to purchase in any neighborhood in the City, and significant numbers of program participants use the funds each year to buy in the three City neighborhoods where non-Latino whites make up more than 60% of neighborhood population (Indian Orchard 66%, Sixteen Acres 71%, and East Forest Park 84%).

Buy Springfield Now, www.buyspringfieldnow.com

The Buy Springfield Now marketing campaign is coordinated by Springfield staff without a spending budget. To incentivize people to buy in the City, the campaign packages discounts offered by the private market on real estate and lending services, as well as other goods and services attractive to new homeowners.

Homeownership Development, \$637,205 (HOME) (amount includes carryover from previous years)

The City provides subsidy to developers for construction of new single-family homes that are made affordable to households with income at or below 80% area median income. Pursuant to the rules of the HOME program, the City is required to set aside 15% of its HOME funds for activities undertaken by a special type of nonprofit called a Community Housing Development Corporation (CHDO). A CHDO is a private nonprofit community-based organization that has staff with the capacity to develop affordable housing for the community it serves. To qualify for designation as a CHDO, the organization must meet minimum requirements pertaining to legal status, organizational structure, and capacity and experience. The Springfield organizations that are certified as CHDOs are Way Finders, Greater Springfield Habitat for Humanity, and Revitalize Community Development Corporation (Revitalize CDC).

Springfield allocates a minimum of 15% of its annual HOME entitlement grant for development of affordable single-family homes by CHDOs. This amount is generally insufficient to subsidize the cost of a single home, and the City is often able to realize cost savings by bidding multiple homes at one time, so the City generally seeks bids for 2-3 houses at one time, using funds from several fiscal years together.

The average net development subsidy cost per home is approximately \$200,000—covering the total development cost and subtracting out the sales price to the eventual income-eligible homebuyer. The cost reflects the need for land purchase, the higher-than-average costs associated with infill housing, the additional costs associated with spending and accounting for federal funds, and the lower home sale price based on the weak market neighborhoods in which the homes are built. In FY18, the City expects to initiate grants for up to 4 new homes to be built in the next 1-2 years in the City's lowest-income neighborhoods.

Like the first-time homebuyer program, the homeownership development program is a tool to affirmatively further fair housing. It creates affordable homeownership opportunities in neighborhoods that were historically shut out from homeownership, while assisting minority families to participate in an effective long-term strategy for building wealth.

Over the last several years, the City has used HOME funds to support development of 7 homes in the Central Street corridor area.

Disaster Recovery Homeownership, multi-year \$1,450,000 (CDBG-DR)

Like the Homeownership Development Program, this disaster recovery program funds development of single-family homes for income-eligible homebuyers. The funding is not restricted to CHDOs but is available to any developer. Developers are selected pursuant to a competitive request for proposals process.

This funding is used solely in tornado-damaged neighborhoods. The program has so far built 5 homes in the Central Street corridor area in the Six Corners neighborhood and is expected to build at least another six homes.

Rental Housing Programs

Multi-Family Rehabilitation/Development, multi-year \$404,300 (HOME)

The City sets aside HOME funds each year to contribute to the rehabilitation, development, or preservation of affordable housing units in multi-family apartment buildings. Often, these are projects in which a private nonprofit or for-profit has previously rehabilitated (or, in some cases built) affordable housing and the housing needs another round of rehabilitation and re-capitalization. The new investment preserves the affordability of the units. The City funds development of new affordable housing where it is part of an overall neighborhood revitalization strategy and has a strong preference for adaptive reuse of vacant buildings over new construction.

Multi-family rehabilitation is a major investment, usually with multiple funding sources including the Commonwealth of Massachusetts and Low-Income Housing Tax Credit Program equity, with the City of Springfield a junior investor. The Commonwealth requires local investment in each project it considers.

Current and recently completed Springfield multi-family rehabilitation projects include Memorial Square Apartments, E. Henry Twiggs Estates, and Maple Commons. Sometimes, HOME funds support development of new affordable housing. In FY18, the City is providing funds to First Resource Development for Mason Square II Apartments, which will create 60 new affordable units through redevelopment of the Mason Square Fire Station and the vacant Indian Motorcycle parcel B building. The City has committed funds to Home City Development for expected development of 44 affordable housing units in the vacant former Brookings School building, a project expected to begin in 2019.

Tenant-Based Rental Assistance, \$436,029 (HOME)

The City funds rental assistance for homeless households with disabilities, where the rental assistance is linked with supportive services. The program is modeled on the Section 8 mobile voucher program, with tenants paying 30% of adjusted income for rent, and the City paying the difference. While the program funds permanent housing, it requires tenants to also apply for Springfield Housing Authority programs, so that they will eventually transition off the program.

Addressing Housing Conditions

Homeowner Emergency Repair, \$315,000 (CDBG)

The City provides 0% interest loans to fund the repair of a single emergency condition for a homeowner with income at or less than 80% area median income. The most common emergency repair is installment of a new roof; funds have also been used to address plumbing, electrical, and structural emergencies. Loans are repaid when the homeowner sells the property.

Healthy Homes Program, multi-year \$1,500,000 (CDBG-NDR)

The City applied for and was awarded a competitive HUD resilience grant to fund full housing rehabilitation of rental and owner-occupied homes in the Memorial Square and Six Corners neighborhoods. The purpose of this program is to improve the City's housing stock and neighborhood conditions in two very low-income neighborhoods which have higher-than-average housing code complaints, people with asthma, and children with lead poisoning. Funds cover full housing rehabilitation, including abatement of lead hazards and mold remediation, along with energy efficiency improvement.

Funds are awarded 0% deferred forgivable loans in exchange for commitments to preserve the housing as affordable to households at or below 80% area median income. The City expects to operate the program in 2017-2022.

Neighborhood Revitalization

The City's response to blight includes several interrelated strategies: receivership of vacant properties, demolition of buildings that are structurally unsound, and investment in neighborhoods through infill housing construction.

Receivership

Receivership is a court-ordered remedy. When the City brings an enforcement action against an owner for blight, and the owner fails to remedy the blight, the City can petition the Court to appoint a receiver to remedy the condition. The receiver, appointed by and supervised by the court, makes repairs to the house, and is entitled to put a superior lien on the property to recover the costs of the receivership. Following rehabilitation of the house, the receivership loan is sold or foreclosed, and the property is returned to rental or homeownership occupied housing. The City has consistently and successfully initiated more receivership actions than any other city in Massachusetts. In 2017, the City filed 46 receivership petitions, and 32 properties were placed into receivership.

Demolition

There are times when a property is too far deteriorated for receivership, particularly after fire damage. In these cases, the City seeks the Court's permission to demolish the structure and lien the property for the cost of demolition and removal of the debris. Over the past ten years the City has bonded for \$3.2 million to cover the costs of demolition in City neighborhoods. (Over the same period, the City has spent a total of \$14.2 million on demolition, but this number includes commercial and other large structures, such as the York Street jail, Chestnut School, and Chapman Valve.) When the City began addressing a backlog of distressed properties in 2006-07, it the City commonly had a list of up to 20 properties at a time being prepared and bid for demolition. By now, there is no longer a backlog, and the City demolition list includes just three properties.

Infill Housing

Infill construction reduces the inventory of vacant lots—often a location for neighborhood crime—while also adding new housing which can have a positive impact on surrounding property values. Infill housing is a strategy for neighborhoods with particularly weak markets, because they increase surrounding property values and thereby reduce the likelihood of abandonment. The City had a small HOME-funded infill development program for many years, but significantly increased the amount of infill housing it assisted when it received federal Neighborhood Stabilization Program (NSP) funds in 2009. Springfield has been able to continue the higher level of development using CDBG-DR funds awarded after the 2011 tornado. The City has focused new development and extensive rehabilitation in neighborhoods that were heavily impacted by the foreclosure crisis—Old Hill, Six Corners, the South End, and Memorial Square. Since 2009, the City has funded construction of 43 infill homes.

Disposition of City-Owned Property

The City becomes owners of residential structures and parcels through tax foreclosure and through foreclosure of liens placed on properties to pay for City-incurred costs—such as the cost of demolition of an uninhabitable structure. The City uses several tools to dispose of these parcels. The City sells many vacant lots to abutters, so that they may expand their property. The City started the abutter lot program in 2013 and, since that time, has sold 52 lots through this program. The City uses larger parcels for infill housing development.

Where a parcel includes a habitable home, the City auctions the property. When disposing of historically significant homes, the City often will include a CDBG development incentive to the developer in the form of an interest-free forgivable loan that covers project funding gaps. In the current fiscal year \$150,000 has been allocated to this program.

Homelessness and Special Needs Housing

Continuum of Care

The City is the lead agency for the CoC. In this role, it undertakes strategic planning, coordinates the response, and oversees 23 grants to community non-profit organizations that carry out the work. The HUD-created model for operation of CoCs is collective impact. The multiple agencies involved have common goals, and they measure movement toward those goals through regular collection and review of system-wide data. The goals of the collective system are to make homelessness rare, brief, and one-time. This means preventing people from becoming homeless where possible, assisting those who do become homeless to become re-housed as quickly as possible, and making sure that people who are re-housed have necessary supports in place to ensure that they do not become homeless again. In addition to the CoC-funded programs, this work also includes programs funded with ESG and HOPWA, so that these programs coordinate as one system.

The City uses federal funds to contract with non-profit agencies that carry out shelter and housing programs that address homelessness. In addition, the City uses general funds to support two staff who provide housing assistance to those at risk of homelessness and supportive services too chronically homeless people who have been housed.

Prevention and Rapid Rehousing

The City provides ESG funds to Catholic Charities and to the Mental Health Association (MHA) for homelessness prevention. Catholic Charities provides prevention counseling and financial assistance for

rent arrears from its office and during staffed hours at the Western Division Housing Court. MHA's Tenancy Preservation Program (TPP) provides case management assistance to people at risk of losing housing due to behavioral health issues. TPP works collaboratively with the Housing Court and with landlords to solve problems that interfere with successful tenancies. Both programs seek to preserve tenancies and prevent eviction.

Over the last ten years, there has been increasing policy and funding support at the federal and state level for Rapid Rehousing (RRH) assistance, which is short- or medium-term rental assistance. The concept is that a household can be supported with rent payments in their own apartment during the time that they would otherwise be in shelter. While it may initially be unclear what will happen at the end of the rental assistance period, this uncertainty is also true of a shelter stay, and households are more likely to be able to stabilize during this temporary time if they are in their own home than if they are in shelter. The CoC provides funds to Catholic Charities to provide 12 months of rental assistance plus supportive services to families not eligible for state RRH benefits and to individuals. The state offers \$8000 in flexible funds that may be used for RRH to families seeking shelter if the funds can help avoid the shelter placement (diversion) and to families in the state shelter system to start new housing after shelter. The state also has a homelessness prevention program, Rental Assistance for Families in Transition (RAFT), which provides up to \$4000 per household to assist households to prevent eviction.

Emergency Shelter

The City provides ESG funds to the Friends of the Homeless (FOH) emergency shelters for individuals without children, and to the YWCA of Western Massachusetts, which provides shelter to individual women and women with children who are fleeing domestic violence. In addition to FOH (which is also funded by the state), there is another emergency shelter in the City—the 40-bed Springfield Rescue Mission Taylor Street men's shelter, which is funded by private donations.

In Massachusetts, the state provides emergency shelter to all families with children who meet eligibility requirements. For families not eligible for state-funded Emergency Assistance (EA), the City provides ESG RRH assistance and the CoC provides 12-month RRH assistance through Catholic Charities. Families are urged to remain in their current situation for the brief period needed to rent a unit. In circumstances where this is not safe, the City works with a non-profit service provider to provide a short-term hotel stay.

Permanent Supportive Housing

Starting in 2007, the City shifted its response to chronic homelessness. Previously, chronically homeless individuals lived for extended periods of time outdoors or in emergency shelters. Programs in other cities demonstrated that these particularly vulnerable homeless individuals could be stably housed through an approach called Housing First. The concept is to house these individuals as soon as possible—without first requiring sobriety or mental health treatment—and then provide the individual with wrap-around services, offered at their apartment, and without participation requirements. In Springfield, the Mental Health Association successfully piloted this approach. The units with services are called permanent supportive housing (PSH).

Springfield has steadily increased the number of PSH units available, and, through the CoC, has also encouraged surrounding local communities to add PSH units. Most often, these are done on a scattered site basis, enabling previously homeless individuals to live in the community without any indication of their previous status. Hampden County currently has an inventory of about 400 PSH units for chronically

homeless individuals. The CoC's success rate for these units—meaning that tenants establish long-term stability—is 93%.

Housing Opportunities for Persons with AIDS (HOPWA)

The City receives HOPWA funds to serve the Eligible Metropolitan Statistical Area (EMSA) of Hampden, Hampshire, and Franklin Counties. The most recent data, from January 1, 2017, indicates that there are 2,082 persons living with HIV/AIDS in the EMSA; 1,834 in Hampden County, 170 in Hampshire County, and 78 in Franklin County.¹⁷ The HOPWA program is designed to support positive health outcomes by supporting stable housing. In the ESMA, HOPWA funds pay for ongoing rental assistance, short-term (emergency) rent, mortgage and utility payments, and case management. The programs are administered by New North Citizens' Council, River Valley Counseling Center, and A Positive Place (a program of Cooley Dickinson Hospital).

Coordinated Entry and Built for Zero

HUD requires the CoCs operate coordinated entry (CE) for HUD-funded homelessness programs. The concept of CE is that homelessness programs no longer work in a vacuum, with individual standards for providing assistance and individuals wait lists. CE requires use of a standard way of assessing level of need, and an overall emphasis on serving those with the longest stays in homelessness and highest level of need first.

The Springfield-Hampden CoC has a well-developed CE system for its PSH units and for veteran housing. The CoC maintains a list of all identified chronically homeless individuals. The list has been compiled by and is continuously updated through efforts of outreach workers, emergency room social work staff, the local crisis response agency, and police departments. Housing Navigators meet regularly to review the list, match those on the list to housing opportunities, and assist individuals to apply for and move into available units.

The CoC is participating in a national initiative, "Built for Zero," which is made up of 70 communities working together to share best practices to operate CE and identify housing and employment strategies to move chronically homeless and homeless veterans into stable housing. The goal is to use data and continuous learning to house all known people in these populations and establish a system which will quickly identify new people falling into these categories and house them quickly (a state called "functional zero."). As Springfield improves its system for responding to chronic and veteran homelessness, it is learning the tools to enable it to expand this approach to all people who experience homelessness.

Affirmatively Furthering Fair Housing

Analysis of Impediments to Fair Housing

The City of Springfield completed its most recent Analysis of Impediments to Fair Housing in 2013, prepared by the Pioneer Valley Planning Commission.¹⁸ That document analyzes barriers to fair housing and identifies recommended actions for the City to take to address those barriers. The identified actions are listed below. The City plans to conduct an updated Assessment of Fair Housing in 2018-2019, in advance of the City preparing a new 5-year Consolidated Plan in 2019-2020.

¹⁷ Massachusetts HIV/AIDS Epidemiologic Profiles, <https://www.mass.gov/lists/hivaids-epidemiologic-profiles>

¹⁸ https://www.springfield-ma.gov/housing/fileadmin/housing/Springfield_Analysis_of_Impediments_to_Fair_Housing_2013.pdf

People-Based Strategies

These are strategies that help individuals and households overcome discrimination in housing search and have equal access to housing.

- Educate the public about fair housing rights and responsibilities
 - Put information about fair housing and fair lending on the City website and on the website for the Buy Springfield Now campaign
 - Provide training and educational materials about fair housing to housing search workers at agencies throughout the City
- Support vigorous enforcement of Fair Housing Laws
 - Continue funding support for the Massachusetts Fair Housing Center and partnership with the Massachusetts Commission Against Discrimination and HAPHousing to enable: Ongoing outreach to local landlord associations; Education of renters and homebuyers; Monitoring and reporting fair housing violations; Testing, especially for linguistic profiling, Section 8 discrimination, and discrimination against families with children; Technical assistance in the form of trainings and information on accessibility laws and best practices to landlords and housing providers
 - Review internal data to determine if the City may be able to support legal claims regarding discriminatory lending activities
- Assist Springfield households to become homeowners
 - Provide down payment assistance to first-time homebuyers
 - Coordinate with HAPHousing's Homebuyer Club and with Springfield Partners for Community Action's Individual Development Account (IDA) program
 - Coordinate with lenders regarding assistance to first time homebuyers with mortgage assistance and below market mortgage products.
 - Coordinate with the Springfield Housing Authority to expand the Section 8 homeownership program
- Assist households with Limited English Proficiency (LEP) to access housing
 - Ensure that housing search services are available in Spanish, and with translation available for other languages
 - Provide homebuyer education in Spanish
 - Access to Realtors and financing in Spanish
 - Make fair housing information and services available in Spanish
 - Review the City's Limited English Proficiency (LEP) policy, and revise as indicated
- Improve access to housing for persons with disabilities
 - Review and revise City guidelines for investment of housing funds, to ensure that these guidelines prioritize accessibility and visit-ability.
 - Improve access to housing for families with children
 - Apply for competitive federal funding to address lead-based paint hazards in housing throughout the City

Place-Based Strategies

These are strategies that assist neighborhoods and communities to achieve integrated housing and equal access to opportunity for all.

Strategies for All City Neighborhoods

- Implement the 2011 Foreclosure Ordinances (delayed then prohibited due to legal challenge)
- Promote the “Buy Springfield Now” program, which is a collaborative effort comprised of public sector and private sector organizations to attract middle income residents to homeownership in the city
- Review and revise City guidelines for investment of HOME funds, to ensure that these funds are prioritized to support neighborhood revitalization and needed rehabilitation of older housing
- Continue existing strategies to improve Springfield Public Schools city-wide

Strategies for Lowest Opportunity Neighborhoods

- Promote market-rate housing
- Continue to use Neighborhood Revitalization Strategy Area designations for the South End, Six Corners, Old Hill, Brightwood and Memorial Square neighborhoods, and to provide targeted investment of federal dollars in those neighborhoods
- Use federal funds, including HOME and CDBG-DR, to create new homeownership units in NRSAs
- Provide funds for homeowner repairs and rehabilitation
- Explore creation of a housing rehabilitation program targeted to landlords
- Continue existing historic preservation program, and explore creation of a historic preservation revolving fund
- Seek funds under the federal Choice, Promise and Byrne grant programs to create or expand place-based housing, education and public safety strategies
- Support early literacy strategies targeted toward ensuring that children can read by grade 3

Linkage Strategies

These are strategies aimed at assisting people in protected classes to access opportunity.

- Provide minority residents with assistance in accessing housing in high-opportunity communities
 - Advocate for HUD to partner with the City to create a Moving to Opportunity demonstration program in which Section 8 voucher recipients are provided with mobility counseling and HUD creates small-market Fair Market Rent values, which would enable voucher-holders to afford rents in communities outside of Springfield and Holyoke
 - Coordinate with the Springfield Housing Authority and HAP Housing to provide Section 8 mobility counseling
- Take steps to improve access to employment for City residents, especially in low-income neighborhoods
 - Use a Section 3 coordinator to improve Section 3 hiring outcomes
 - Vigorously enforce Section 3 requirements for HUD-funded projects
- Work with the Springfield Housing Authority to explore designation as a Moving to Work Housing Authority, which would enable SHA to have more flexibility in its funding, to assist residents to improve education and income
- Use City role in governance of Pioneer Valley Transit Authority to improve public transit for City residents

Strategies to Increase Understanding

- With the Pioneer Valley Planning Commission, facilitate the formation of and participate in a fair housing coalition of key stakeholders to help shape a regional conversation on fair housing
- Play a leading role on the Regional Housing Plan Committee
- Collaborate with Massachusetts Commission Against Discrimination, Massachusetts Fair Housing Center and HAPhousing to produce annual regional fair housing conference, and emphasize the issue of regional access to opportunity at these conferences
- Facilitate participation in anti-racism training by City staff and staff at agencies funded by the City
- Engage in collaborative discussions to address the issue that the few accessible units in the region often get rented to people who do not need the accessibility features
- Advocate for changes to state revenue sharing practices which provide inequitable financial support for cities

FY2018 Funding for Housing Activities

The Chart below provides the amounts of federal funding committed by the City to housing and homelessness programs described in this report for the fiscal year that begins July 1, 2018.

HOME Partnership Investment Program		
First-Time Homebuyer	Office of Housing	\$300,000
Homeownership Development	Developers selected by RFP	\$637,205
Multi-Family Rehab/ Development	Developers selected by application	\$404,300
Tenant-Based Rental Assistance	Office of Housing; MHA	\$436,029
Community Development Block Grant (CDBG)		
Homeowner Emergency Repair	Office of Housing	\$350,000
Home Repair	Revitalize CDC	\$35,000
Emergency Shelter	Friends of the Homeless	\$67,500
Housing case management	New North Citizens Council	\$15,000
Fair Housing	Massachusetts Fair Housing Center	\$6,000
Emergency Solutions Grant (ESG) Program		
Homelessness Prevention	Mental Health Association	\$30,000
Homelessness Prevention & Rapid Rehousing – financial assistance	Catholic Charities	\$82,000
Rapid Rehousing – housing search	Friends of the Homeless	\$80,000
Emergency Shelter	Friends of the Homeless	\$74,453
Emergency Shelter - DV	YWCA of Western Massachusetts	\$20,000
Housing Opportunities for Persons with AIDS (HOWA) – Hampden, Hampshire, Franklin Cos.		
Short-term rent, mortgage, and utility assistance	New North Citizens Council	\$187,745
Permanent Supportive Housing	River Valley Counseling Center	\$220,858
Permanent Supportive Housing	A Positive Place (Cooley Dickinson)	\$159,225
Springfield-Hampden County Continuum of Care (CoC); administered by Office of Housing		
HMIS	City of Springfield	\$61,992
Coordinated Entry	Friends of the Homeless	\$250,000
Rapid Rehousing	Catholic Charities	\$447,976
Rapid Rehousing	Way Finders	\$154,321
Rapid Rehousing (Youth 18-24)	Gandara Center	\$405,200
Permanent Supportive Housing	Center for Human Development	\$347,761
Permanent Supportive Housing	Friends of the Homeless	\$237,617
Permanent Supportive Housing	Mental Health Association	\$645,840
Permanent Supportive Housing	Open Pantry/SMOC	\$62,644
Permanent Supportive Housing	Way Finders	\$62,589
Permanent Supportive Housing	Viability, Inc.	\$517,153
Permanent Supportive Housing	River Valley Counseling Center	\$303,485
Permanent Supportive Housing	Valley Opportunity Council	\$125,559