A message from Joseph Macaluso, Executive Director

Dear Friends and Neighbors,

I am pleased to share the 2014 Annual Report of the Somerville Housing Authority. This report reflects the many achievements and improvements we have made through the course of this past year and will also provide a glimpse into programs that will help the SHA to continue to remain as a high performing housing authority in the future.

As one of the largest housing authorities in Massachusetts, SHA plays a vital role in housing many of Somerville’s senior citizens, persons with disabilities, and low income families.

In 2014, our goals were to increase the quality and quantity of our housing stock, improve agency performance and increase resident self-sufficiency. I am proud to announce that we have met each of our goals and despite the previous year’s unprecedented budget cuts, we have continued to not just transform our communities, but also the lives of our residents.

We have a difficult but rewarding job, to provide the people of Somerville with safe, affordable, quality housing and to equip them with the resources – both educational and economical – that will foster stability and help them prosper. With our dedicated and talented staff, city leaders and community partners and a firm dedication to serving our residents; we will continue to affect positive changes in the affordable housing community within Somerville. As we plan for another successful year, we thank you for your continued support.

Sincerely,

Joseph Macaluso

“I’m proud to recognize our accomplishments over the past year. In the coming year, we will continue to seek innovative and entrepreneurial solutions to solving the long term housing problems for the families, seniors and disabled residents whom we serve.”
On behalf of the Board of Commissioners, I am proud to present this annual report outlining a dynamic year at SHA. Somerville is a diverse, vibrant community and a beautiful place to live, work, and raise a family. As a leader in affordable housing, thousands of people in this community rely on SHA for the place they call home, and we take our responsibility serving this community very seriously. We are deeply engaged in supporting the workforce readiness of our families and the aging well and independent living of our elderly and disabled population. That, by itself, defines the Somerville Housing Authority mission.

**Our Mission**

The goal of the Somerville Housing Authority is to assist low and moderate-income families, elderly and disabled, and help them obtain affordable housing that is safe, decent, and sanitary.

And in doing so, to advocate for and serve the needs of our residents and to encourage and assist all those who can achieve maximum independence to do so.

Through our efforts, we will create and expand affordable housing opportunities for the diverse population of Somerville Residents.

We will create and encourage resident self-sufficiency and independence.

We will efficiently allocate our resources encouraging innovation while working together as a team.
LEADING THE WAY

In April, as part of SHA’s continued efforts to provide residents with the resources to improve their economic opportunities, we competitively applied for the opportunity to pilot an innovative new program through the Department of Housing and Community Development. The Massachusetts Learning, Employment and Assets program would provide Mass Rental Voucher Program recipients and state-aided public housing residents with targeted supports in three core areas: post secondary education, financial literacy and asset development, and career planning. The goal – increasing the earned income of our residents and reducing their dependence on rental assistance.

In May, SHA was one of five sites selected to pilot this program. SHA was awarded funding for a one year contract in the amount of $258,712 which would allow us to partner with service providers who have years of experience in their areas of expertise and work with 50 households to develop program plans identifying a path to increase their skills, leading to better employment and a more solid financial foundation. These service providers include Somerville Community Corporation (SCC), One Family, Inc., and The Neighborhood Developers.

For many years SHA has maintained a successful working relationship with SCC to provide financial literacy and asset building education to our residents. This thriving relationship between the staff at SCC and our own Resident Services staff presents a united force in assisting the residents in overcoming barriers to effectively empower and motivate them towards economic independence. This Mass LEAP partnership with One Family and TND will offer a new perspective in proposing creative ways to serve the SHA population. Leaders in their respective fields of post-secondary education and career development, One Family and TND will ensure that our families have the opportunity to attain the highest level of economic self-sufficiency.

“My daughter will be graduating high school this year. I want to be an example of why college is so important. Through Mass LEAP, I feel that I will have the help I need to be a college graduate.”

-Iris Aponte, Mass LEAP participant

Graduates of the SHA Computer Literacy Program
In 2014, 96 families participated in our Family Self-Sufficiency (FSS) program. 13 families successfully completed the five-year program with completed goals such as improving their financial standings, obtained citizenship, gained meaningful employment, went off welfare, received higher education degrees and training, and received first time homebuyer preparation.

Over 30 families participating in this program increased their earned income in 2014 – averaging $13,292 per household; additionally, 14 families who receive services through FSS experienced a reduction in cash welfare assistance, while 23 families ceased receiving welfare benefits as a result of their increase in household earned income.

I feel blessed to be part of this opportunity. I want to show my children and my family that anything is possible as long as you are determined.”

-Marie Jose Alphonse, Mass LEAP participant

At SHA we go beyond the bricks and mortar by ensuring that our families have every opportunity to advance. Mass LEAP will add another layer to our already aggressively developed Section 8 and Public Housing Family Self-Sufficiency (FSS) Programs and Resident Opportunity and Self-Sufficiency (ROSS) program.

By offering our residents a multitude of educational and supportive services and creating a circle of support with networks of expert providers we remain a leader in fostering opportunities for the residents of Somerville and beyond.
THE YEAR AT A GLANCE

2,435 households were served

110 new households were assisted through HUD public housing and HCV subsidies and Massachusetts state subsidies.

50 families become eligible to receive services under newly funded Massachusetts Learning, Employment and Assets Program

1117 households participate in new SHA recycling initiative
$1.5 Million in project improvements, upgrades.

252 children from Mystic and Clarendon developments receive toys through SHA toys for tots program

$389,008 in grant awards to promote resident self-sufficiency
BUILDING VALUE

Over the past year SHA has made many site improvements to our housing stock. More than 14 major modernization projects have been completed including a large site job reconstructing roads and walkways, additional site lighting, and high quality – low maintenance flooring in our family developments. In an effort to improve both the physical environment and the social interactions of our seniors, the community room at Bryant Manor was revamped. Adding a brand new kitchen facility, comfortable furniture and soothing décor has enriched the lives of the people who live there, and helps keep the community strong.

Additionally, a formal and ongoing physical needs assessment is performed to analyze property conditions. SHA is able to collect real time data of property issues which allows us to plan both short-term and long-term capital improvements. This initiative also allows us to plan cost saving measures to the Authority and residents in the form of energy savings. We utilized our own in-house skilled labor to replace windows and exterior doors in many of our elderly buildings – this new force account strategy results in significant cost savings.
SHA’s 12 FEDERAL AND STATE PROPERTIES

**FEDERAL**
Mystic View • Brady Towers • Ciampa Manor • Highland Gardens • Properzi Manor • Weston Manor

**STATE**
Mystic River • James J. Corbett Apts. • Clarendon Hill • Capen Court • Bryant Manor • Hagan Manor
## ASSETS

**Current Assets:**
- Cash and cash equivalents: 9,754,505
- Restricted cash and cash equivalents: 713,807
- Accounts receivable, net: 454,701
- Prepaid expenses and other current assets: 296,576
  - Total Current Assets: 11,219,589

**Noncurrent Assets:**
- Restricted cash and cash equivalents: 1,810,314
- Investment in financing of affordable housing development: 8,363,479
- Capital assets, net of accumulated depreciation: 57,825,963
  - Total Noncurrent Assets: 67,999,756

**Total Assets:** 79,219,345

## LIABILITIES

**Current Liabilities:**
- Current portion of long term debt: 194,095
- Accounts payable: 272,707
- Accounts payable, HUD: 3,280
- Accounts payable, other government: 211,314
- Accrued wages and current portion of compensated absences: 311,334
- Other accrued expenses: 379,316
- Unearned revenue: 147,118
- Tenant security deposits: 7,069
  - Total Current Liabilities: 1,526,233

**Noncurrent Liabilities:**
- Long term debt, net of current portion: 1,305,889
- Accrued compensated absences, net of current portion: 312,695
- Other noncurrent liabilities: 173,930
- OPEB liability: 4,119,864
  - Total Noncurrent Liabilities: 5,912,378

**Total Liabilities:** 7,438,611

## NET POSITION

- Net investment in capital assets: 56,235,979
- Restricted: 443,668
- Unrestricted: 15,011,087
  - Total Net Position: 71,780,734
### OPERATING REVENUES
- Tenant rental income: 5,983,990
- Other revenue: 677,720

**Total Operating Revenues**: 6,661,710

### OPERATING EXPENSES
- Housing assistance payments: 13,461,235
- Repair and maintenance: 4,626,967
- Administration: 3,580,432
- Utilities: 3,293,575
- Depreciation expense: 2,976,058
- Other general expenses: 604,434
- Insurance expense: 364,349
- Tenant services: 111,504

**Total Operating Expenses**: 29,018,554

**Operating Loss**: (22,356,844)

### NON OPERATING REVENUES (EXPENSES)
- HUD grants and contributions: 16,505,754
- Other government grants and contributions: 5,328,288
- Interest and investment revenue: 245,120
- Gain on sale of capital assets: 900
- Interest expense: (97,827)

**Total Nonoperating Revenues**: 21,982,235

**Loss before Capital Contributions and Transfers**: (374,609)

### CAPITAL CONTRIBUTIONS & TRANSFERS
- Other government capital grants and contributions: 428,698
- HUD capital grants and contributions: 385,310

**Total Capital Contributions and Transfers**: 814,008

**Change in Net Position**: 439,399

**Net Position - Beginning of Year**: 71,341,335

**Net Position - End of Year**: 71,780,734