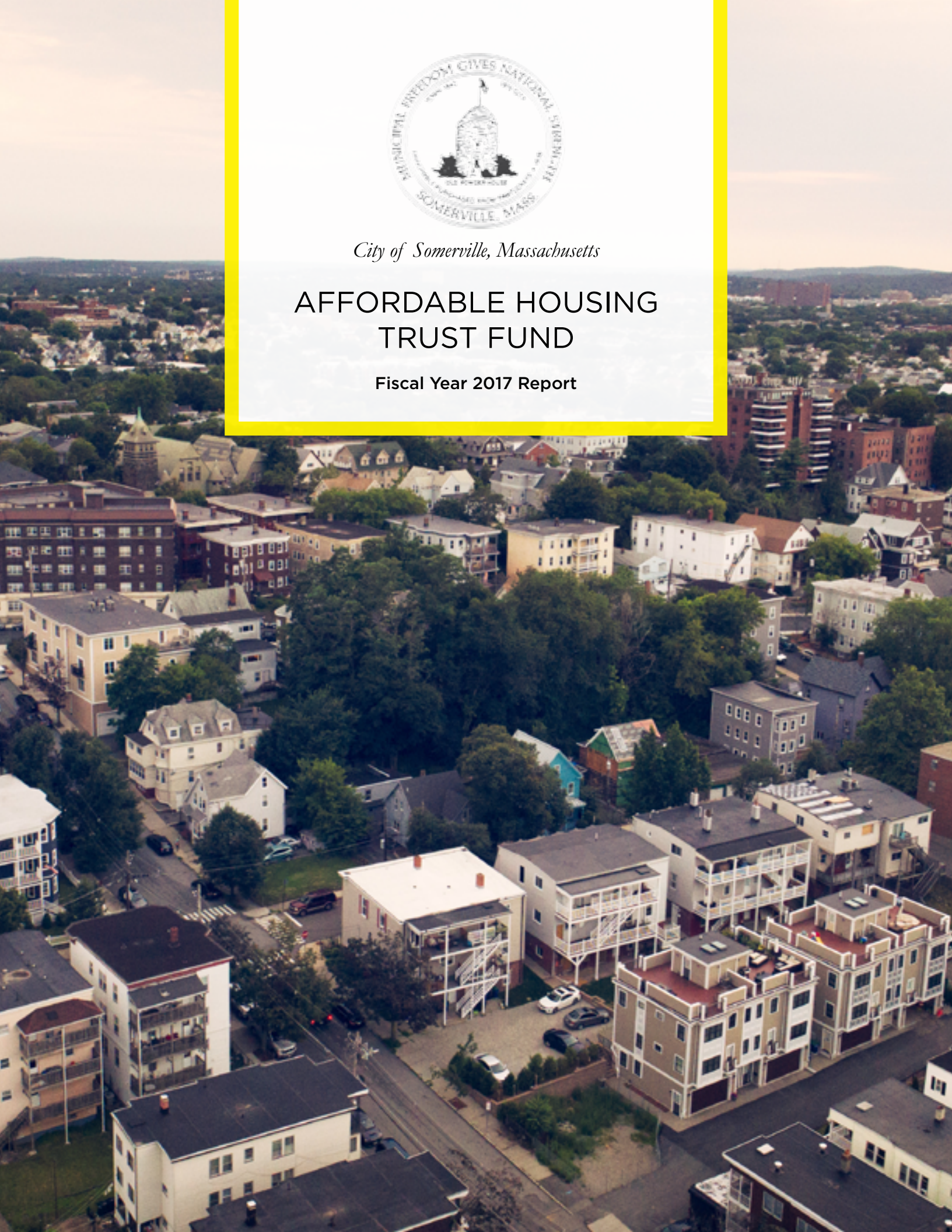
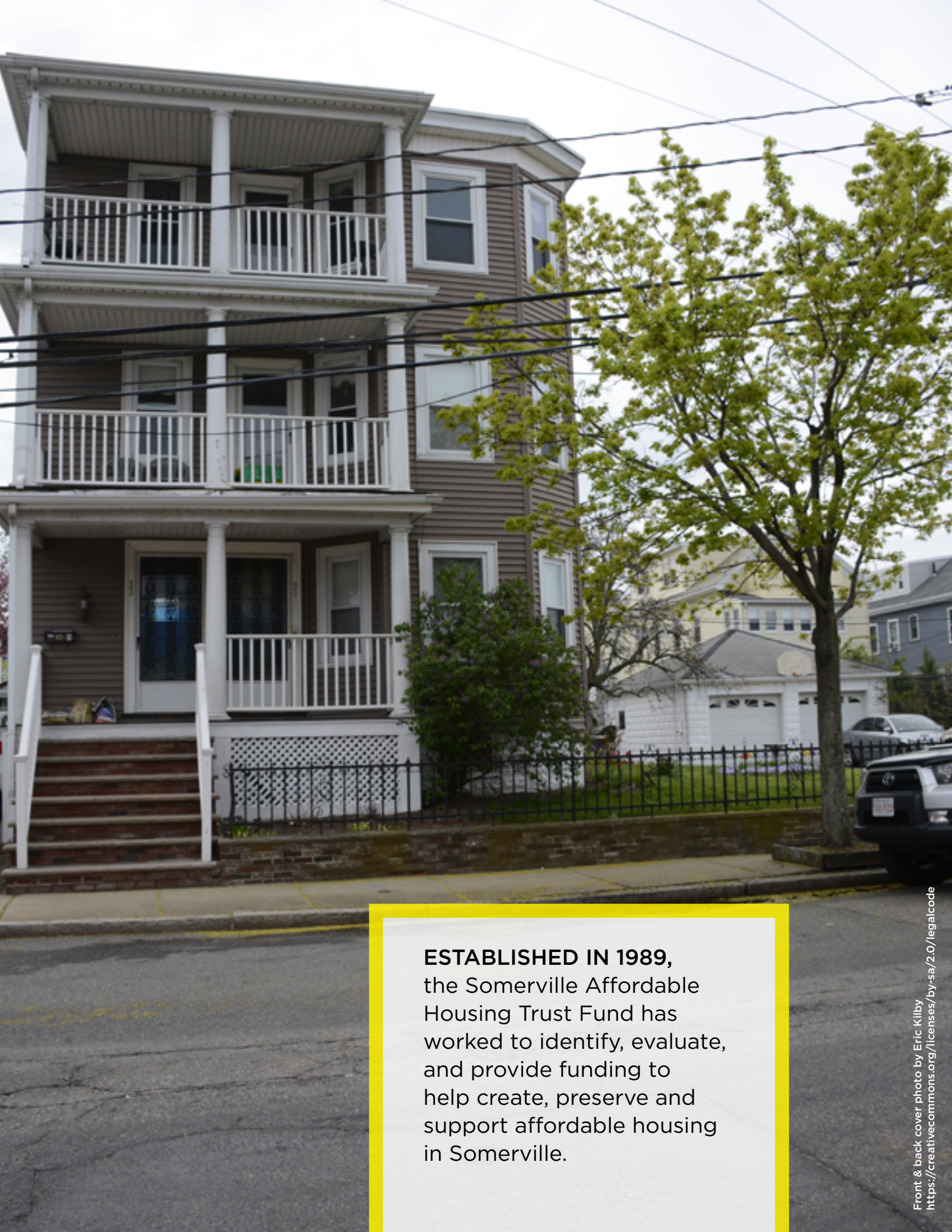
*City of Somerville, Massachusetts*

# AFFORDABLE HOUSING TRUST FUND

**Fiscal Year 2017 Report**





**ESTABLISHED IN 1989,** the Somerville Affordable Housing Trust Fund has worked to identify, evaluate, and provide funding to help create, preserve and support affordable housing in Somerville.

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*City of Somerville, Massachusetts*

*Somerville Affordable Housing Trust Fund*

**Joseph A. Curtatone**
***Mayor***

**Mary Cassesso, *Managing Trustee***

***Trustees***
Lisa Davidson
Ben Ewen-Campen
Michael Feloney
Donna Haynes
Daniel LeBlanc
Beth Monroe-Howe
Martin Polignone
Andrea Shapiro

April, 2018

RE: Somerville Affordable Housing Trust Fund – Fiscal Year 2017 Report

Dear Mayor Curtatone and Honorable Board of Aldermen:

On behalf of my fellow Trustees, I am pleased to transmit this report on the Somerville Affordable Housing Trust Fund's Fiscal Year 2017 activities.

Established in 1989 under Somerville ordinance number 1989-3, the Somerville Affordable Housing Trust Fund (SAHTF) began programming in 1991. Since that time, the Trust has worked to identify, evaluate, and provide funding to help create, preserve and support affordable housing in Somerville. Since its most recent report, the Trust has presided over a doubling of its annual revenues, following Somerville's adoption of the Community Preservation Act (CPA) in 2012. The Trust initiated a strategic visioning effort in 2013, and in 2014 adopted an updated plan identifying benchmarks and program objectives to preserve, create and support affordable housing in Somerville.

In FY17, the Trust allocated CPA funding, monies generated under the City's linkage ordinance, and loan repayments to enable major investments in projects that included:

- redevelopment of the formerly state-owned water-pumping facility at 485 Mystic Valley Parkway into 25 units of affordable rental housing for elderly and non-elderly disabled households, known as the Mystic Waterworks Pumping Station project
- acquisition of 20 existing units in 2- to 5-family homes to establish permanently affordable housing as part of the 100 Homes initiative
- financial closing to allow for construction of 11 homeownership units at 163 Glen Street, 8 of which will be sold at prices affordable to households with low and moderate incomes, and

- completion and subsequent lease-up of 35 1-, 2- and 3-bedroom rental apartments affordable to low-income households at Union Square Apartments, located at 181 Washington Street.

Programs supported in FY17 included:

- The Wayside Youth and Family Support Network's Leasing Differential Program and the Somerville Homeless Coalition's Better Homes Leasing Differential Program together provided 20 formerly homeless Somerville residents with monthly rent assistance for one year.

Additional Trust funds were awarded to Somerville Homeless Coalition's Prevention and Stabilization Services in FY17, for rental assistance to other households as well; the number of these additional households will be noted in a later Trust report.

- More than one thousand Somerville residents received assistance in FY17 from landlord-tenant mediation programs, homelessness prevention programs and tenancy stabilization programs that were funded by the Trust. Programs funded to provide this housing support included:
  - Somerville Community Corporation's Landlord Tenant Mediation Program,
  - Community Action Agency of Somerville's Homelessness Prevention Program,
  - Cambridge/Somerville Legal Services' Tenancy Stabilization Program,
  - Wayside Youth and Family Support Network's Shortstop Program,
  - Somerville Homeless Coalition's Prevention and Stabilization Program,
  - Massachusetts Alliance of Portuguese Speakers' Immigrant Integration Services/Housing Counseling and Education, and
  - RESPOND's shelter services for individuals and families experiencing domestic violence.

While the creation of these affordable units and operation of these housing support programs address critical needs of the households they serve, the City faces as acute a shortage of affordable housing as it did when the Trust was formed. We look forward to continuing our work with the City's municipal government, public agencies and nonprofit partners to meet this goal. Finally, we wish to thank Ward 5 Alderman Mark Niedergang for his active engagement as the Board's appointee to the Trust since 2015, as he recently completed his term as the BOA's representative in December 2017.

Thank you for your interest in the efforts of the Trust and ongoing support for its work.

Sincerely,

Mary Cassesso
Managing Trustee on behalf of SAHTF Trustees

AFFORDABLE HOUSING TRUST FUND
Fiscal Year 2017 Report

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# BACKGROUND AND MISSION

The City of Somerville established the Affordable Housing Trust Fund in 1989 for the purpose of funding the creation, preservation and support of affordable housing for low and moderate income households. For nearly 30 years, the Trust has helped increase the supply of housing units that have rents or mortgage payments within reach of those who otherwise would be priced out of Somerville. Through the loans and grants it has funded and administered, SAHTF has supported an array of programs and projects.

In doing so, the Trust has served as one of the main vehicles for addressing housing affordability challenges in Somerville. In 2014, the Trust completed a strategic planning effort undertaken in 2013, to consider its work in the wake of resident approval of the Community Preservation Act (CPA) the preceding year (2012). That strategic visioning work yielded the following objectives and benchmarks:

1. Create rental housing that is permanently affordable for Somerville residents with household incomes below 110% of Area Median Income (AMI).
2. Make special efforts to ensure housing opportunities that are permanently affordable for residents with household incomes below 30% of AMI and between 31% and 50% of AMI.
3. Create homeownership units that are permanently affordable for residents with household incomes below 110% of AMI.
4. Support affordability for first-time homebuyers with household incomes below 110% of AMI through loans, such as closing cost and down-payment assistance that can supplement and further other city initiatives.
5. Preserve existing affordable housing and encourage innovative efforts to acquire and preserve unassisted stock for affordable housing.
6. Be a voice for affordable housing in Somerville, encouraging awareness through public forums and outreach, and promoting innovation through use of its grants and loans.
7. Ensure that any housing created is affordable for the long term through the use of deed restrictions, particularly on rental and homeownership development projects.
8. Be a unique and flexible source of financing, providing funds that other programs cannot.
9. Effectively leverage state, federal and private funds, particularly by being the first dollars in to demonstrate local commitment.
10. Support projects and programs with measurable goals and positive outcomes.
11. Support housing stability for low and moderate income Somerville households through programs and activities that prevent eviction from rental housing and foreclosure on homeownership units. Programs supported by the Trust also target the prevention of homelessness that may result in a loss of housing.
12. As opportunities arise, support development projects that foster community development goals as documented in SomerVision and other City plans, including transit-oriented development, mixed-use and mixed-income projects and sustainable design, as well as goals of the Community Preservation Committee as described in its Community Preservation Plan.

**IN FY17, THE TRUST ALLOCATED CPA** funding, monies generated under the City's linkage ordinance, and loan repayments to enable major investments in projects such as the construction of 11 homeownership units at 163 Glen Street, 8 of which will be sold at prices affordable to households with low and moderate incomes.

The photo above was taken at a groundbreaking event for the 163 Glen development project in fall, 2017. (Photo courtesy of the Somerville Community Corporation)

# FUNDING SOURCES

The first source of funds for Trust activities came from a one-time capitalization by the City in 1990. To establish a recurring revenue source for future Trust activity, the City adopted a Linkage Ordinance requiring that large-scale commercial developments mitigate their impact on the potential supply of affordable housing by contributing a fee to the Trust. The City's Inclusionary Zoning Ordinance, adopted in 1990, also has occasionally generated income under what are known as fractional payments, allowed when Inclusionary projects involve calculations that do not yield whole numbers.

## Community Preservation Act Funding

The Trust's capacity to fulfill its mission was strengthened in 2012 with Somerville's adoption of the Community Preservation Act (CPA) through a city-wide vote. The CPA generates revenue through a 1.5% local surcharge on local property taxes and a variable annual distribution from the state's Community Preservation Trust Fund. A minimum of 10% of the CPA funds are required to be spent or set aside for the creation or preservation of affordable housing.

Somerville's commitment of CPA funds to affordable housing purposes has been significantly higher than the minimum 10 percent requirement. The Somerville Community Preservation Committee (CPC), which oversees all local CPA funds, has designated the Trust as its "housing arm," and has allocated 45% of total Somerville CPA funds each year to date to the community housing category. That percentage yielded the following appropriation amounts over the program's first 4 years in Somerville.

| CPA Funding for Community Housing FY14–FY17 | Appropriation Amount | Explanatory Notes |
|---|---|---|
| FY14 + FY15 | $2,206,028 | First 2 years of funding came in FY 15 |
| FY16 | $1,834,675 | This amount includes a second appropriation of $250,000 from the CPC for Somerville Housing Authority's Waterworks project. |
| FY17 | $880,416 | |
| **Total** | **$4,921,119** | |

## Non-CPA Trust Fund Sources

In addition to CPA funds received in FY17, other sources of funding include linkage revenue, inclusionary zoning fractional payments and loan repayments.

**Linkage revenue from recent commercial development.** In FY17, the Trust received the second of five annual payments in the amount of $869,625 for the Partners Healthcare office development project in Assembly Square. Three more payments in the same amount will be due for Fiscal Years 18 through 2020. Linkage payments like these, which are required of commercial real estate development projects over 30,000 square feet under the City's Linkage Ordinance, have created opportunities for the Trust to increase the availability of affordable housing.

**Inclusionary Zoning fractional payments.** No 'fractional' payments were received in FY17. Instead, all inclusionary obligations of market-rate housing developers in Somerville this fiscal year were met through direct creation of affordable units situated within and integrated into new market-rate buildings.

**Loan Repayments.** Payments made to the Trust by housing developers in accordance with loan agreements executed in past fiscal years totaled $43,175 in FY17. Those loans supported the creation of now-occupied affordable housing units. The payments received on the loans will be reinvested by the Trust to generate additional new units and further increase the supply of affordable housing in Somerville.

Somerville's linkage ordinance required that Partners HealthCare make a project mitigation contribution of $4,348,128 for affordable housing, payable to the Trust in annual installments over five years after completing construction of their commercial building in Assembly Square. These funds directly support new affordable units and housing programs for City of Somerville residents.

# FUNDING USES

In the face of continued pressure on the local and regional housing markets, the Trust worked to advance its mission in FY17 through the support of several high impact projects.

## Affordable Housing Development

Expenditures on funds committed by the Trust to 4 affordable housing development projects totaled $1,433,680 in FY17. These payments were in support of the following projects:

- **Mystic Waterworks** The redevelopment of a historic, formerly state-owned water-pumping facility building into 25 units of affordable housing for elderly and disabled residents. This project is owned and operated by the Somerville Housing Authority.
- **100 Homes** The acquisition of 20 existing 2- to 5-family homes at scattered sites in neighborhoods across the City to establish housing that is permanently affordable for households with a range of low and moderate incomes, including units affordable to households earning at or below 50% of AMI.
- **163 Glen Street** The adaptive re-use of the former East Somerville American Legion Post building into 11 homeownership units, including 8 units to be sold at prices affordable to low- and middle-income households.
- **Union Square Apartments** The site of a former elementary school located st 181 Washington Street, used to construct a new development with 9 1-bedroom, 22 2-bedroom and 4 3-bedroom rental apartments for households earning at or below 60% of AMI. Of those 22 units, 8 were set aside for families earning at or below 30% of AMI, 3 of which for families with physical disabilities or impairments and 2 for homeless families.

In the second half of FY17, the Trust solicited new proposals from developers of affordable housing. The following proposals were received, and were under consideration as of the end of FY17 in June 2017:

- **100 Homes Initiative** Acquisition and rehabilitation of 17 units to create new deed-restricted affordable housing.
- **Clarendon Hill Apartments** New construction as part of the redevelopment of the Clarendon Hill Public Housing project to create 73 units of low- and extremely low-income rental housing (for households earning at or below 60% AMI and 30% AMI respectively) plus 20 units of "workforce" housing (for households earning at or below 100% AMI).

Following the close of FY17, the Trust acted to commit $1.5 million in FY17 funds to the 100 Homes Initiative. By the time of this report's publication, the Trust had also voted to recommend bonding for up to $10 million in support of both the 100 Homes Initiative and redevelopment of Clarendon Hill Apartments. Further funding decisions, in terms of the amount of bond funding to support 100 Homes and Clarendon Hill, respectively, will be considered as work on the projects continues to progress.

## Housing Program Grants Providing Rent Assistance, Leasing Cost Payments, and Other Housing Supports

The Trust made grants to eight community nonprofits that administer rent assistance, leasing cost payments, and other housing supports in Somerville. A total of $306,075 was awarded to help 756 Somerville low-income households secure or remain in housing that they can afford.

### *Programs Using Trust CPA Housing Funds:*

- **Prevention and Stabilization Services (PASS)** The Trust awarded the Somerville Homeless Coalition an $89,250 grant to help homeless and near-homeless individuals and families obtain permanent housing and stabilize their housing situations with direct-to-tenant rental assistance through its Prevention and Stabilization Services (PASS) Program. Rental assistance will assist 6 Somerville households at risk of homelessness or in transition out of emergency shelter system into permanent housing. Case management is also provided as part of the program using other sources of financial support. The program is designed to serve households with incomes at or below 60% of AMI, and to help Somerville residents who are experiencing a housing crisis that may have resulted from burdensome rental increases or losses in income, to allow them to remain in the City.
- **Leasing Differential Program** The Trust also awarded Somerville Homeless Coalition $57,825 in support of its Leasing Differential Program that provided housing for formerly homeless individuals living in 12 rental units among scattered sites in Somerville. These units are leased by SHC and are sublet to up to 12 homeless and disabled Somerville residents, most of whom have incomes below 30% AMI. Nine recent clients qualify as chronically homeless as defined by HUD. Clients include families and individuals with disabilities.
- **Shortstop Leasing Differential Program** The Trust awarded Wayside Youth and Family Support Network $25,000 to its Shortstop Leasing Differential Program to offset leasing costs to house 9 formerly homeless young adults participating in Wayside's ShortStop program. The program provides both transitional housing and case management services. Participants have extremely low- and low-incomes upon acceptance to the program. The program prioritizes serving youth and young adults from Somerville, and emphasizes the development of residents' self-sufficiency and transition within two years to permanent housing.

### *Programs Using Non-CPA Trust Funds:*

- **Tenancy Stabilization Program** In FY17 the Trust allocated $60,000 to the Somerville Homeless Coalition for administration of its Tenancy Stabilization Program, in response to a Trust-issued Request for Proposals. The program provided grants to 41 eligible Somerville households who were behind in rent payments for their existing housing leaving them at risk of eviction, or who needed assistance with security deposits and first and last month's rent payments in order to secure housing. Households served had incomes below 80% of AMI.

- **Somerville Mediation Program** The Trust granted $15,000 to the Somerville Community Corporation for its Somerville Mediation Program to provide landlord/tenant mediation to low- and moderate-income households, as well as outreach to agencies providing housing services on behalf of these tenants. This Massachusetts Trial Court designated program is the only approved mediation program for Somerville District Court. It also trains Somerville youth mediators. The program performed 123 landlord/tenant mediations in FY17 on behalf of households with income below 80% of AMI who live in Somerville.
- **Somerville Homeless Coalition's Prevention and Stabilization (PASS) Program** provides case management services for households that are homeless or at risk of homelessness. The Trust awarded $15,000 to the PASS Program to provide support to 9 households with incomes up to 60% of AMI. Most households served had incomes at or below 50% of AMI.
- **Somerville Tenancy Stabilization and Legal Assistance Program** The Trust awarded funding to Cambridge/Somerville Legal Services in support of salary for an AmeriCorps attorney to represent low-income tenants facing eviction in Somerville District Court, through its Somerville Tenancy Support Program. The program also helps participants maximize government benefits for which they qualify. The $8,500 grant benefited 17 at-risk Somerville households with incomes below 50% of AMI.
- **ShortStop Program** In addition to paying the leasing differential costs of transitional housing that was provided to 9 formerly homeless or at-risk youth and young adults by that Wayside Youth and Family Support Network, the Trust also provided a grant of $10,000 for counseling and case management for those 9 residents, aged 18-22 years old. The program fosters life skills such as independent living, educational and employment readiness, and preventative health practices including HIV education, while also facilitating transition to permanent housing. Young adults moving into ShortStop residences have incomes at or below 50% of AMI at the time they begin the program.
- **Community Action Agency of Somerville Homelessness Prevention Program** The Trust granted $11,000 to the Community Action Agency of Somerville (CAAS) to help 468 families achieve more stable housing and access benefits for which they are eligible. The grant helps CAAS to serve 400 Somerville residents who are unstably housed but not yet homeless, with incomes at or below 50% of AMI.
- **RESPOND, Inc.** is a local agency providing emergency shelter and a range of support services and educational programs to survivors of domestic violence including adults, children and teens. SAHTF granted $10,500 to Respond in support of 24/7 shelter staffing and resident housing assistance. The program serves 80 people at one time, both adults and children of all income levels. Last year 95% were female head-of-households and 100% had low, very low, or no income.
- **MASSACHUSETTS ALLIANCE OF PORTUGUESE SPEAKERS** MAPS provides rental housing counseling and education services for Portuguese speakers in Somerville. In FY17 the Trust awarded $4,000 to MAPS to help residents obtain adequate and affordable housing.

The 100 Homes Initiative ensures long-term affordable rents through non-profit ownership of housing units in Somerville neighborhoods. (Photos courtesy of the Somerville Community Corporation)

# SELECTED HIGHLIGHTS

Information offered below on Trust-funded efforts illustrate the critical role housing-designated funds have served – both in enabling projects to advance into construction and occupancy, and in preserving or establishing tenancies of households that would have been displaced in the absence of these development subsidies and financial assistance.

## SOMERVILLE HOUSING AUTHORITY MYSTIC WATERWORKS PUMPING STATION

After more than three years of intensive work that the Somerville Housing Authority (SHA) had invested in assembling approvals and highly competitive funding on its 25-unit Waterworks project, in May 2016 SHA faced the prospect of seeing the project stall – or not happen at all – as continued price escalation presented a limited but intractable budget shortfall. To ensure the creation of the project's 25 new affordable housing units for both elderly and disabled residents in Somerville, total support from Trust sources was increased by $450,000 from $257,000 to $707,000. All 25 units provide a preference to homeless households seeking housing, with 20 of those apartments serving those with incomes below 50% of AMI, and 5 of the units serving households with incomes below 30% of AMI.

The City also committed additional CDBG and HOME funds to enable the project to proceed. Collectively, this support through a multi-year development process allowed the project to close, start construction, and complete work on 25 deeply affordable units to finish by fall 2017.

Trust, CPA and City sources including HOME and CDBG funds were leveraged to preserve the Waterworks Pumping Station building, resulting in the transformation of this mid-nineteenth century historic structure into 25 new deeply affordable housing units for elderly and disabled residents. (Photos courtesy of the Somerville Housing Authority)

The 100 Homes Initiative preserves tenancies within the existing fabric of Somerville neighborhoods. (Photos courtesy of the Somerville Community Corporation)

## 100 HOMES

Somerville's 100 Homes Initiative is based on a partnership between the City of Somerville and the Somerville Community Corporation. Trust support sustains the initiative's work toward a goal to create 100 new affordable units through the acquisition and renovation of existing properties. The introduction of deed restrictions on each unit ensures sustained housing affordability provided to households at a variety of income levels.

In FY17, Trust funding to 100 Homes enabled purchase agreements or acquisition of 20 units, and has preserved 5 existing tenancies at affordable rents. The 100 Homes program has leveraged more than $600,000 in state resources and five project-based Massachusetts Rental Vouchers in support of these affordable tenancies. Five of the units house very low-income, formerly homeless and at-risk families in their own apartments, rather than in shelters. Supportive services will be provided to these families by the Somerville Homeless Coalition.

Increasingly, prospective sellers are contacting SCC before putting properties on the open market – creating an ancillary benefit of properties not being 'bid up' further as would-be buyers bid on them. The program has credibility among real estate agents, and is recognized by an increasing number of owners as an alternative for sellers who share the program's goal of preserving affordable housing. As the program scales up, more opportunities can be realized to create options that help families and individuals who would otherwise face displacement.

The importance of Trust support for the initiative is reflected in stories involving residents of the properties: At a property on Cross Street, households who faced prospects of homelessness from rent increases or other threats to their housing have now secured affordable tenancies created by the Trust funds within this building. These households include a long standing Somerville family with a mobile Section 8 voucher issued by the Somerville Housing Authority, who were at risk of losing it because they could not find an owner willing to accept it. This family now lives in its apartment at Cross Street because of 100 Homes.

Using funding provided by the Trust and other City sources, SCC acquired a 16-unit property located on Broadway and has created permanent affordability for existing and future tenants of apartments in that building. These tenants include a resident who has lived in the building for 51 years. Trust funding allowed this individual and others who were expecting to be evicted upon the sale of the building to continue residence in their existing homes instead of being forced out of their neighborhood and perhaps out of Somerville entirely.

# FINANCIAL REVIEW

The following financial summary shows revenue received and expenses incurred during FY17 and FY 16 on projects and programs funded by the Trust.

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***SOMERVILLE AFFORDABLE HOUSING TRUST***

***FINANCIAL REVIEW***

***FISCAL YEAR ENDED 2017 AND 2016***

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**Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Management of the Somerville Affordable Housing Trust:

We have performed the procedures enumerated below, which were agreed to by you, to assist you in evaluating the accompanying Balance Sheet and Statement of Sources and Uses of Funds for the years ended June 30, 2017 and 2016 of the Somerville Affordable Housing Trust Fund. The Somerville Affordable Housing Trust Fund's management is responsible for these statements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Procedures Performed and Results**

In approaching this engagement we look at the Somerville Affordable Housing Trust Fund as having two reporting elements: the Somerville Affordable Housing Trust Fund and the Community Preservation Fund. We will report on each element independently for each fiscal year.

- Since the Somerville Affordable Housing Trust Fund is a component of City operations the cash position of the Somerville Affordable Housing Trust Fund was not subject to examination procedures as part of this engagement.

**Somerville Affordable Housing Trust Fund**

- The Somerville Affordable Housing Trust Fund had $1.6 million in loans outstanding at June 30, 2017. Four loans were selected for compliance testing. This included reviewing:
    - Original loan/Promissory note
    - Examining the check issued
    - Examining the HUD-1
    - Examining the Appraisal
    - Examining the certifications of ownership
    - Examining eligibility paperwork (tax returns, paychecks, etc.)

  Our tests results found everything to be in order and well documented. We should also mention that these test selections were request upon our arrival and were promptly provided.

- The Somerville Affordable Housing Trust Fund expended $83,165 in vendor payment during FY2017 and FY2016. A total of $34,488 (41.5%) was selected for testing. We examined the invoice, check, request for payment signed by the Assistant Housing Director, rental assistant and payroll registers.

  The results of our testing yielded no findings.

- The Somerville Affordable Housing Trust Fund received $99,894 in general revenues in FY2017 and FY2016. A total of $45,905 (45.9%) was selected for testing. We examined the audit transaction list, check, deposit slip and loan payment schedule (if applicable).

  The results of our testing yielded no findings.

- The Somerville Affordable Housing Trust Fund received $1,092,310 in mitigation revenues in FY2016. This was made up of 4 payments and all were selected for testing. We examined the check, project mitigation agreement, correspondence between the City and the vendor, and confirmation of payment received.

  The results of our testing yielded no findings.

**Community Preservation Fund**

- The Community Preservation Fund had receipts related only to interest income, which was minimal. We did not test this revenue source.

- The Community Preservation Fund had expenditures totaling $1,081,299, all of which was related to the issuance of three non-profit construction loans issued in March of 2017. We tested all three loans. We examined the dockets requesting the transfer of funds to create the funding, check, the loan agreement between the City and the vendor, requisition certificate and contractor payment requests (which included detail progress reports and subcontractor invoices).

  The results of our testing yielded no findings.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying statements of Somerville Affordable Housing Trust Fund. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the information and use of the management of the Somerville Affordable Housing Trust Fund and is not intended to be and should not be used by anyone other than these specified parties.

November 15, 2017

**SOMERVILLE AFFORDABLE HOUSING TRUST FUND**
BALANCE SHEET

JUNE 30, 2017

| | Affordable Housing Trust Fund | Community Preservation Fund | Total |
|---|---|---|---|
| ASSETS: | | | |
| Cash | $ 2,500,842 | $ 3,661,005 | $ 6,161,847 |
| Notes Receivable | 1,788,926 | 1,200,658 | 2,989,584 |
| TOTAL ASSETS | 4,289,768 | 4,861,663 | 9,151,431 |
| LIABILITIES | | | |
| Deferred revenue | 1,788,926 | 1,200,658 | 2,989,584 |
| FUND BALANCE | 2,500,842 | 3,661,005 | 6,161,847 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 4,289,768 | $ 4,861,663 | $ 9,151,431 |

**SOMERVILLE AFFORDABLE HOUSING TRUST FUND**
STATEMENT OF SOURCES AND USES OF FUNDS

FISCAL YEAR ENDED JUNE 30, 2017

| | Affordable Housing Trust Fund | Community Preservation Fund | Total |
|---|---|---|---|
| SOURCES OF FUNDS: | | | |
| Repayment of loans issued by Affordable Housing Trust Fund | $ 41,733 | $ - | $ 41,733 |
| Interest received on Affordable Housing Trust Fund Loans | 18,448 | - | 18,448 |
| Interest income | 17,100 | 4,630 | 21,730 |
| Mitigation revenue | 869,625 | - | 869,625 |
| TOTAL SOURCES OF FUNDS | 946,906 | 4,630 | 951,536 |
| USES OF FUNDS: | | | |
| Salaries | 6,425 | - | 6,425 |
| Grants made to various programs and providers | 63,250 | - | 63,250 |
| Housing assistance | - | 35,820 | 35,820 |
| Advertising | 269 | - | 269 |
| Non-profit construction loan | 200,000 | 1,233,680 | 1,433,680 |
| TOTAL EXPENSES | 269,944 | 1,269,500 | 1,539,444 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 676,962 | (1,264,870) | |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers from City Community Preservation Fund | - | 880,416 | 880,416 |
| NET CHANGE IN FUND BALANCE | 676,962 | (384,454) | 292,508 |
| FUND BALANCE BEGINNING OF PERIOD | 1,823,880 | 4,045,459 | 5,869,339 |
| FUND BALANCE END OF PERIOD | $ 2,500,842 | $ 3,661,005 | $ 6,161,847 |

**SOMERVILLE AFFORDABLE HOUSING TRUST FUND**

BALANCE SHEET

JUNE 30, 2016

| | Affordable Housing Trust Fund | Community Preservation Fund | Total |
|---|---|---|---|
| ASSETS: | | | |
| Cash | $ 1,824,088 | $ 4,045,459 | $ 5,869,547 |
| Notes Receivable | 1,634,380 | - | 1,634,380 |
| TOTAL ASSETS | 3,458,468 | 4,045,459 | 7,503,927 |
| LIABILITIES | | | |
| Accrued payroll | 208 | - | 208 |
| Deferred revenue | 1,634,380 | - | 1,634,380 |
| TOTAL LIABILITIES | 1,634,588 | - | 1,634,588 |
| FUND BALANCE | 1,823,880 | 4,045,459 | 5,869,339 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 3,458,468 | $ 4,045,459 | $ 7,503,927 |

**SOMERVILLE AFFORDABLE HOUSING TRUST FUND**
STATEMENT OF SOURCES AND USES OF FUNDS

FISCAL YEAR ENDED JUNE 30, 2016

| | Affordable Housing Trust Fund | Community Preservation Fund | Total |
|---|---|---|---|
| SOURCES OF FUNDS: | | | |
| Repayment of loans issued by Affordable Housing Trust Fund… | $ 46,040 | $ - | $ 46,040 |
| Interest received on Affordable Housing Trust Fund Loans…… | 26,577 | - | 26,577 |
| Interest income…… | 4,803 | 4,756 | 9,559 |
| Mitigation revenue…… | 1,092,310 | - | 1,092,310 |
| TOTAL SOURCES OF FUNDS…… | 1,169,730 | 4,756 | 1,174,486 |
| USES OF FUNDS: | | | |
| Salaries…… | 6,192 | - | 6,192 |
| Grants made to various programs and providers…… | 61,650 | - | 61,650 |
| Housing assistance…… | 72,494 | - | 72,494 |
| TOTAL EXPENSES…… | 140,336 | - | 140,336 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES…… | 1,029,394 | 4,756 | 1,034,150 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers from City Community Preservation Fund…… | - | 250,000 | 250,000 |
| Transfers from Community Housing…… | - | 1,584,675 | 1,584,675 |
| TOTAL OTHER FINANCING SOURCES (USES)…… | - | 1,834,675 | 1,834,675 |
| NET CHANGE IN FUND BALANCE…… | 1,029,394 | 1,839,431 | 2,868,825 |
| FUND BALANCE BEGINNING OF PERIOD…… | 794,486 | 2,206,028 | 3,000,514 |
| FUND BALANCE END OF PERIOD…… | $ 1,823,880 | $ 4,045,459 | $ 5,869,339 |

*City of Somerville, Massachusetts*

# AFFORDABLE HOUSING TRUST FUND

**Fiscal Year 2017 Report**