



JOSEPH A. CURTATONE  
MAYOR

## CITY OF SOMERVILLE, MASSACHUSETTS COMMUNITY PRESERVATION COMMITTEE



### MINUTES NOVEMBER 7, 2018

The Community Preservation Committee (CPC) held a regular meeting at 6:30pm in the third floor conference room at the Visiting Nurse Association, 259 Lowell Street, Somerville, MA 02144. An audio recording of the meeting is available upon request.

|                        |   |
|------------------------|---|
| <b>Members Present</b> | Vice Chair Uma Murugan, Dick Bauer, Michael Capuano, Jane Carbone, and Luisa Oliveira |
| <b>Members Absent</b>  | Chair Michael Fager   |
| <b>Staff Present</b>   | Kristen Stelljes  |
| <b>Others Present</b>  | None  |

#### MEMBERS

Michael Fager, Chair  
Uma Murugan, Vice Chair  
Dick Bauer  
Michael A. Capuano  
Jane Carbone  
Luisa Oliveira

#### STAFF

Kristen Stelljes

In the absence of chair, Michael Fager, Uma Murugan, vice-chair, acted as chair. The chair opened the meeting at 6:43p.m. Upon a motion by Mr. Capuano, seconded by Ms. Murugan, the Committee voted 4-0 to recess for ten minutes.

#### Agenda item 1: Public comment period

A Harvard student working on a class project with the City of Somerville attended the meeting to observe.

Ms. Stelljes read a letter from John Sullivan, an abutter to the Armory, requesting the Committee speak with the direct abutters to the Armory about issues relating to the project including lack of investment by property owner and the effectiveness of the proposed intervention to effectively soundproof the building.

Mr. Capuano said the effectiveness of storm windows in soundproofing would influence his opinion as to whether or not the Armory project should be funded. Ms. Stelljes said she would share the soundproofing consultants' report that suggested that storm windows would be the most effective means of soundproofing for the Armory.

Ms. Stelljes also updated the Committee that it appears that the historic preservation restriction on the Armory that was expected as part of the sale of the property from the state to the Sater brothers was never executed. The City of Somerville and the Armory had letters from the Massachusetts Historic Commission referencing a covenant on the building. However, after much searching, an executed

covenant was not found. Lea Ruscio, the Executive Director of The Center for Arts at the Armory, is discussing the situation with the property owners to see if they would accept the condition of a perpetual preservation restriction as a condition of Community Preservation Act funding.

**Agenda item 2: Approve minutes from October meetings**

Upon a motion by Mr. Bauer, seconded by Ms. Murugan, the Committee voted 4-0 with Mr. Capuano abstaining, to approve the minutes from the October 11, 2018 meeting.

Upon a motion by Mr. Bauer, seconded by Mr. Capuano, the Committee voted 5-0 to approve the minutes from the October 24, 2018 meeting.

**Agenda item 3: Project updates**

Ms. Stelljes provided the following updates to the Committee:

*Somerville Museum:* The Board of Aldermen will need to approve the extension of the Somerville Museum contract to go beyond the initial three year contract. She has submitted the request for an extension for their approval.

*Conservation Restriction for 5 Palmer:* The state has provided comments on the draft restriction, which will be the first conservation restriction executed in the City of Somerville.

*Community Growing Center:* The renovation project is underway.

*Dilboy Auxiliary Design:* The contract with the consultant was just signed, so the project will begin shortly. The design signs have been ordered to meet the requirement of CPA funding.

*Prospect Hill Park:* Ms. Oliveira informed the Committee that the bids received were much higher than anticipated and the Board of Aldermen approved the appropriation of additional funds so the project could go forward. The renovation will begin in the fall and continue in the spring. Ms. Carbone asked if the light for the Tower was included in the project. Ms. Oliveira said that the Tower will be softly uplit and there will be the option to program the light for special displays.

*South Street Farm:* Mr. Bauer said he attended the Cider Days at South Street Farm and noted that it had good attendance.

*West Branch Library:* Construction on the project is anticipated to begin this fall now that the Board of Aldermen has approved the remaining funds for the project.

Ms. Stelljes noted also that ten people applied for the two open general public Committee seats.

Ms. Stelljes added that the Community Preservation Committee's legal counsel from the City Solicitor's office recommends the Committee require a perpetual historic preservation restriction on all historic resources projects even if another entity holds a perpetual restriction on the property.

**Agenda item 4: Review report from Somerville Affordable Housing Trust**

Because the version of the report that was circulated before the meeting was incomplete, the Committee will discuss the report at their December meeting.

**Agenda item 5: Notice of chair and vice chair elections at December meeting**

Ms. Stelljes reminded the Committee that the election of the chair and vice chair for 2019 will take place at the December meeting.

**Agenda item 6: Discuss approach to project presentations**

Ms. Murugan noted that at least one applicant said the Committee was intimidating during their project presentation. She asked the Committee to think about how it can be more welcoming to applicants.

Ms. Oliveira said that it may be helpful to note the intent of the question to help applicants understand why the question is being asked and speak in a more approachable tone. She also noted that applicants need to be reminded of the ground rules for presentations before the presentations start and the Committee needs to keep the time with the same level of strictness for all applicants. Ms. Carbone said that the table is helpful for all of the papers the Committee members have but it can serve as a barrier. Mr. Capuano noted that the Committee is a funding organization and needs to ask probing questions. Mr. Bauer said that some of the formality is necessary because the applicants are presenting to both the Committee and the public. Ms. Oliveira suggested that an introductory statement could be read before the project presentations to welcome participants and explain the process and its purpose.

Ms. Murugan requested that the room be configured so that the presenters could easily be presenting to both the Committee and the members of the public at the same time. Ms. Stelljes requested that members of the Committee come of the public presentations early to help arrange the room.

**Agenda item 7: Discussion of FY19 project applications**

Ms. Stelljes noted the amounts of funding available in each category will need to be finalized once the final state match amount is announced on November 15. She explained that she is determining the funding allocations for the previous year by comparing revenue from only that year with awards made in that year and not including any funds awarded from previous years in the calculation.

Upon a motion by Mr. Capuano, seconded by Ms. Murugan, the Committee voted 5-0 to accept any additional state matching funds that will be announced on November 15.

***Historic Resources Projects***

Mr. Bauer noted that there is a shortage of \$100,000 for the historic resources projects. Mr. Bauer suggested all of the smaller historic resources projects be fully funded with appropriate funding conditions and the Somerville Museum and Grace Baptist Church project be reduced by \$50,000 each.

***WPA Bas-Relief***

Several Committee members noted they are supportive of fully funding the WPA bas-relief. Ms. Carbone suggested that a specialized firm should move and install the object rather than have DPW staff move and install it. Ms. Oliveira agreed.

***Armory Windows***

Mr. Capuano raised a concern about funding the project because it would benefit the private, for-profit owner and Ms. Murugan agreed. Mr. Bauer said the project would also have a benefit for the non-profit that manages the building and it is used as community space. However, to be funded, the Committee would need to place funding conditions such as the perpetual preservation restriction on the project. Ms. Carbone agreed. The Committee discussed being interested in exploring options for requirements related to public access, continued non-profit management, and use as a community arts space.

### ***Open Space Projects***

#### *Kennedy School*

Ms. Oliveira suggested the project could be done for \$65,000 based on her experience with the Winter Hill Schoolyard and the Dilboy Auxiliary field. Ms. Stelljes noted that the parents were potentially interested incorporated artificial turf into the playspace. If that was included, the City would need to find the design funds for the artificial turf component of the project on top of the amount awarded by CPA.

#### *ArtFarm*

Mr. Capuano said he would like to fund the ArtFarm project as close to \$1 million as possible because of its contribution to advancing the SomerVision goal of creating 125 new acres of open space. The Committee asked how much cash would be available for ArtFarm if the other projects were funded as discussed. In this scenario, \$326,295 would be available in cash. To fully fund the project, a bond of \$673,000 would need to be made, which would carry a debt service of around \$50,000 a year. If the funding for Grace Baptist Church was reduced to \$500,000, the bond for ArtFarm could be reduced to \$589,774.

Ms. Oliveira noted that for the project to go forward, the Board of Aldermen will need to approve funding for the ArtBarn.

### **Agenda item 8: Other business**

There was no other business.

**Next meeting: The next meeting of the Community Preservation Committee will take place at 4:30pm on Tuesday, December 11.**

### **Meeting Adjournment**

Upon motion from Mr. Bauer, seconded by Mr. Capuano, the Committee voted 5-0 to adjourn at approximately 9:05.

### **Documents and Exhibits**

1. Agenda
2. Minutes from October 11, 2018
3. Minutes from October 24, 2018
4. Draft semi-annual report from the Somerville Affordable Housing Trust Fund

5. Analysis of FY19 CPA public comments
6. Compiled FY19 CPA public comments
7. Results from meeting attendee FY19 project prioritization
8. CPA FY19 funding available
9. Mid-year budget adjustment tables



JOSEPH A. CURTATONE  
MAYOR

## CITY OF SOMERVILLE, MASSACHUSETTS COMMUNITY PRESERVATION COMMITTEE



### AGENDA

**DATE:** Wednesday, November 7, 2018  
**TIME:** 6:30pm  
**PLACE:** Visiting Nurse Association, 3<sup>rd</sup> floor conference room  
259 Lowell St.

1. Public comment
2. Approve minutes from October meetings
3. Project updates
4. Review report from Somerville Affordable Housing Trust
5. Notice of chair and vice chair elections at December meeting
6. Discuss approach to project presentations
7. Discussion of FY19 project applications
8. Other business
9. Next meeting: Tuesday, December 11 at 6:30p.m. (Visiting Nurse Association)

#### MEMBERS

Michael Fager, Chair  
Uma Murugan, Vice Chair  
Dick Bauer  
Michael A. Capuano  
Jane Carbone  
Luisa Oliveira

#### STAFF

Kristen Stelljes





# CITY OF SOMERVILLE, MASSACHUSETTS COMMUNITY PRESERVATION COMMITTEE



JOSEPH A. CURTATONE  
MAYOR

MINUTES  
OCTOBER 11, 2018

The Community Preservation Committee (CPC) held a regular meeting at 6:30pm in the third floor community room at the Visiting Nurse Association, 259 Lowell Street, Somerville, MA 02144. An audio recording of the meeting is available upon request.

**MEMBERS**  
Michael Fager, Chair  
Uma Murugan, Vice Chair  
Dick Bauer  
Michael A. Capuano  
Jane Carbone  
Elizabeth Duclos-Orsello  
Luisa Oliveira  
Jessica Palacios Yamakawa

- Members Present** Chair Michael Fager, Vice Chair Uma Murugan, Dick Bauer, Jane Carbone, Luisa Oliveira, and Jessica Palacios Yamakawa
- Members Absent** Michael Capuano
- Staff Present** Kristen Stelljes
- Others Present** Project presenters and members of the public

**STAFF**  
Kristen Stelljes

The chair opened the meeting at 6:35p.m.

**Agenda item 1: Approve minutes from July meeting**

Upon a motion by Ms. Murugan, seconded by Ms. Carbone, the Committee voted 5-0 to approve the minutes from July 25, 2018 meeting.

**Agenda item 2: Discuss Richardson St. project with Scott Hayman, Somerville Community Corporation**

Mr. Fager said that he invited Mr. Hayman to come to the meeting because Mr. Fager attended a community meeting about the Richardson St. project and was concerned by the conceptual design shared by SCC at the meeting. The design shows a .01 acre rectangle taken from the open space parcel in order to provide a setback for the additional building being added to the affordable housing side of the project. Mr. Hayman said that the setback is necessary to allow for the two proposed new 3 bedroom units to be 950 square feet and is contingent upon multiple special permits necessary from the Zoning Board of Appeals. SCC is planning to formally purchase the property in January, though they have paid two non-refundable down payments. A survey will be completed after the purchase.

Ms. Stelljes noted that the size of the parcel in the funding recommendation from the CPC is .13 acres, which is the size listed in the Assessor's database. She said that it is listed as .11 acres in the GIS layer, so a survey will be needed to determine the actual size of the parcel.

Ms. Murugan asked why the units are planned to be three bedroom. Mr. Hayman said SCC is committed to creating family housing because of the lack of family housing in Somerville.

Mr. Fager said he still has reservations because SCC did not share the conceptual design with the CPC before the community meeting or share at the meeting when the CPC approved the funding that a portion of the open space may be taken by the affordable housing project. Mr. Hayman said that once the project plan has been finalized, he would speak with CPC about the plan and would potentially reduce the funding amount proportional to the amount of open space that would be incorporated into the affordable housing project. SCC is currently considering three different options for the project, so it is possible none of the open space parcel will be included in the affordable housing parcel.

Ms. Carbone noted that 950 square feet for a three bedroom unit is quite small.

Mr. Hayman noted that the setback was determined in part to preserve a tree in the neighbor's yard that they would like to preserve. Construction closer to the tree would damage its roots.

Ms. Oliveira and Ms. Murugan suggested SCC continue to consider the configuration of the space with the open space in mind.

Mr. Hayman said that the survey will be completed in January.

Mr. Fager requested this topic be tabled until the December meeting.

**Agenda item 3: Discuss request to extend FY15 contract for Somerville Museum with Barbara Mangum**

Ms. Stelljes shared that the grant agreement for CPA projects are three years, which is the maximum length of time for a City contract without Board of Aldermen approval.

[Dick Bauer arrives]

Ms. Mangum updated the Committee on the Somerville Museum case in land court regarding the elevator. The plaintiffs have appealed the Land Court's decision and they anticipate it will be resolved within a year.

Ms. Mangum explained the remaining funds in the FY15 grant would fund a perimeter drain that the Museum is hoping to install as part of the larger basement renovation project for which they are currently seeking FY19 CPA funds. Ms. Mangum anticipated that the work would be completed within three years.

Upon a motion by Ms. Murugan, seconded by Ms. Oliveira, the Committee voted 6-0 to approve extending the Museum's FY15 contract by three years.

**Agenda item 4: Update on historic preservation restrictions for City**

Ms. Stelljes updated the Committee that the Massachusetts Historic Commission has said that they would approve a preservation restriction held in Somerville by another municipality if it is permissible according to the City's charter. The City's legal office is investigating this.

**Agenda item 5: Recognition for Liz Duclos-Orsello's service on the CPC**

The Committee acknowledged Liz's service and passed around a card for the members to sign.

**Agenda item 6: Review report from Somerville Affordable Housing Trust**

Ms. Stelljes informed the Committee that the Trust requested to review the report before it was submitted, which they are doing that evening, so the report will be available for the Committee's next meeting.

**Agenda item 7: Other business**

Mr. Fager noted that Ms. Carbone has been confirmed by the Board of Aldermen and is now a voting member of the Committee.

**Agenda item 8: Presentation of FY19 CPA applications:**

**a. Overview of CPA program:**

Ms. Stelljes provided an overview of the CPA program and funding available in FY19. The presentation is available as part of the handouts.

**b. Somerville Armory Window Project, The Center for Arts at the Armory, Inc:**

Lea Ruscio shared that The Center for Arts at the Armory would like to repair the windows in the performance hall and install storm windows and is requesting \$36,000 in CPA funds to do so. The storm windows would provide soundproofing for the space.

Mr. Bauer asked to confirm the Center for Arts at the Armory is not the owner and why Arts at the Armory is applying rather than the owners. Ms. Ruscio responded that the owners have given permission for the project to go forward if the Center for Arts at the Armory could raise the funds, but the owners are not investing in this project at this time. Extending hours, opening a patio, and other new activities will not be possible until the soundproofing is completed per the ZBA approval.

Ms. Oliveira asked what the community benefits the Armory provides. Ms. Ruscio responded that the Armory offers over 750 events each year as well as a wide range of classes. Mr. Fager asked how many of these events charge admission. Ms. Ruscio said that most of the events in the café are free and the events in the performance hall charge a fee. Mr. Fager asked if the Center had considered charging a service fee to help pay for the windows. Ms. Ruscio responded that the \$19,000 the Center has raised came from the \$1 ticket facility fee on the large touring events.

Mr. Fager asked if the owners were agreeable to having a historic preservation restriction being placed on the building. Ms. Ruscio said she is currently investigating the restriction or easement that may have been placed on the property when it was purchased from the state. She said the owners may not accept additional restrictions. Ms. Stelljes added that because the property was purchased from the state and received Massachusetts Preservation Project Fund monies, we believe a restriction exists and we're

currently working to locate this document. If it exists, it would serve as the determination of historic significance. Ms. Ruscio said she is aware the funding is contingent on a restriction being in place. Mr. Fager asked if the owners have any plans that may interfere with this project or change the historic significance of the building. Ms. Ruscio said that the owners are committed to maintaining the building as a community arts center. She said that much of the day to day management of the building is done by the Center for Arts at the Armory and they have a one year lease that has been consistently renewed. Ms. Murugan asked if the windows were leaking. Ms. Ruscio said that a contractor suggested they do some frame work on the windows given their condition. She added that much of the building was redone between 2004 and 2009 so many of the systems were recently replaced.

### **c. Mission Church of Christ- Roof Repair and Preservation Project, Mission Church of Our Lord Jesus Christ**

Marshina Mitchell noted the Mission Church building is on the National Register of Historic Places. The slate roof is leaking in four different places. The Mission Church operates a food pantry that is open twice a month and provides a range of social services. Ms. Mitchell requested emergency consideration for funding given the state of the roof.

Mr. Fager asked Ms. Mitchell to state the mission of Mission Church. Ms. Mitchell responded that as a church their mission is to spread the Gospel. As a provider of social services, their mission is to be an integral part of the community.

Mr. Fager asked if Mission Church had to find the funds itself how it would affect its operations. Ms. Mitchell said that because they already took out another mortgage on the property to make repairs because of a stone that had fallen from the tower, it would be very difficult to raise the funds for the necessary repairs at this time.

Mr. Fager asked if this work could be considered ordinary maintenance. Ms. Mitchell said that they have been maintaining the roof for 20 years and at this point now need to involve a specialist. Mr. St. Claire from O'Lyn Roofing said he diagnosed the condition of the roof. He said that the repairs needed at this time are significant. Mr. St. Claire shared images with the Committee showing the extent of the needed repairs.

Ms. Oliveira asked about the difference between two quotes that Mission Church received. Ms. Mitchell responded that the firm that provided the higher quote wanted to replace all of the slate tile on the roof. Ms. Oliveira requested Mission Church acquire an additional quote.

Mr. Fager asked if the church was amenable to accepting the required historic preservation restriction. Ms. Mitchell said they were and Ms. Stelljes added that MHC currently has a restriction on the property. Mr. Fager asked if Ms. Mitchell considered the sanctuary sacred space. She responded that the church is a sacred space, but it is also a historic space and a community space. She said that the sanctuary is sacred space and there are also other spaces in the building that serve as community spaces.

Mr. Bauer asked if the building was handicap accessible. Ms. Mitchell said they have installed two lifts and a ramp. She hopes to ask for CPA funds in the future to further increase the accessibility of the building.

### **Grace Baptist Church, Somerville Hispanic Association for Community Development**

Sammy Jimenez thanked the Committee for its support for the work on the apse of the building. He said that the building, which is owned by the Somerville Hispanic Association for Community Development, is home to its organization, a food pantry, a day care, and a family homeless shelter. Lynne Spencer, from Spencer, Sullivan, and Vogt described the roof work and accessibility improvements for which funding is being requested.

Mr. Fager asked if the owners are a religious organization. Ms. Spencer said the Somerville Hispanic Association for Community Development is not religiously affiliated. Mr. Jimenez added that the Association rents the sanctuary to two different religious groups for services for a fee.

Mr. Bauer asked if much of the original scope of work planned for the building was left undone when the funds had to be repurposed to the repairs on the apse. Ms. Spencer said that is correct.

Mr. Fager noted the importance of leaving chimneys uncapped so they can serve as homes for chimney swifts.

Ms. Murugan asked how they would prioritize their requests. Ms. Spencer said the order of priority for the request is roof repairs (A), masonry repairs (C), making ADA improvements, and then work on the buttress (E).

#### **e. Building Condition Assessment and Prioritized Rehabilitation Plan, Elizabeth Peabody House Association**

Ariela Knight shared the work of the pre-school, after school, summer and food pantry programs of the Elizabeth Peabody House. The Association is asking for funding to develop a master plan for their building to help inform their work to preserve the building, improve the building systems, and make the building fully accessible. They are requesting \$35,000 at this point to give them the flexibility to select the firm that is the best fit for the organization given the range of quotes they have received.

Mr. Bauer asked how much the variation in the quotes came from differences in the scope of work. Ms. Knight responded that the Association needs to make sure that the firms understand fully the scope of work. She said that some of the difference is because larger firms have higher prices and overheads, but may bring greater experience. The Association is now doing reference checks and vetting the firms that submitted quotes. She said within the next month they will make their top choice and adjust their request as needed.

#### **Agenda item 9: Public comment**

Joe Lynch asked for details about the written comment period. Ms. Stelijes responded that written comments are being accepted through October 31 and can be sent to her email.

**Next meeting: An additional meeting of the CPC will be held at 7:00pm on October 24, 2018.**

#### **Meeting Adjournment**

Upon a motion by Ms. Murugan, seconded by Mr. Bauer, the Committee voted 6-0 to adjourn at 8:42pm.

#### **Documents and Exhibits**

- a. Agenda

- b. Minutes from the July 25, 2018 meeting
- c. Memo from the Somerville Community Corporation with update on the 31-35 Richardson Street Open Space and Housing Project
- d. CPA non-bonded FY19 Funding Reserve Allocations by Projects
- e. Updated quotes from the Somerville Museum
- f. Letter of support from the owners of the Armory for the Center of the Arts at the Armory application
- g. Images of current situation on roof of the Mission Church



JOSEPH A. CURTATONE  
MAYOR

## CITY OF SOMERVILLE, MASSACHUSETTS COMMUNITY PRESERVATION COMMITTEE



MINUTES  
OCTOBER 24, 2018

The Community Preservation Committee (CPC) held a regular meeting at 7:00pm in the third floor community room at the Visiting Nurse Association, 259 Lowell Street, Somerville, MA 02144. An audio recording of the meeting is available upon request.

**MEMBERS**  
Michael Fager, Chair  
Uma Murugan, Vice Chair  
Dick Bauer  
Michael A. Capuano  
Jane Carbone  
Elizabeth Duclos-Orsello  
Luisa Oliveira  
Jessica Palacios Yamakawa

**Members Present** Chair Michael Fager, Vice Chair Uma Murugan, Dick Bauer, Michael Capuano, Jane Carbone, and Luisa Oliveira

**Members Absent** None

**Staff Present** Kristen Stelljes

**Others Present** Project presenters and members of the public

**STAFF**  
Kristen Stelljes

The chair opened the meeting at approximately 7:00p.m.

### **Agenda item 1: Overview of CPA program**

Ms. Stelljes provided an overview of the CPA program and funding available in FY19. The presentation is available as part of the handouts.

### **Agenda item 2: Presentations of FY19 CPA applications:**

#### **a. Somerville Museum: Collection Preservation, Somerville Museum**

Barbara Mangum presented the needs of the Somerville Museum to improve the climate conditions in the basement and rehabilitate the collections, which have been affected by poor climate conditions and mold. The collections include a Bullfinch staircase, paintings, books, and other artifacts.

Mr. Capuano asked Ms. Mangum where she was going to find the remaining funds needed for the project. Ms. Mangum responded that she is seeking grant funding for the other half of the project. If she is not successful in her grant requests, she will ask for additional funds next year.

Ms. Carbone asked how the collections will be prepared. Ms. Mangum said the collections will need to be cleaned, sealed, and removed from the basement. Once the materials are removed from the basement, the basement can be cleaned and rehabilitated. The basement remediation work is the second phase of the project.

Ms. Oliveira asked if the Museum has received any bids for the work proposed. Ms. Mangum said she based her budget based on average salaries for conservators and the recent experience of the Museum in hiring people to do technical work.

Mr. Fager asked what would happen if the Committee does not fully fund the project. Ms. Mangum said she is seeking grant funding.

**b. Works Progress Administration Carved Wood Bas-Relief Restoration Project, Somerville Public Libraries**

Kevin O'Kelly shared the history of the wood bas-relief created through support from the Works Progress Administration. Because of its location resting on the floor in a hallway, it has been damaged over the years. The Library has received two quotes from Smithsonian trained conservators to restore the carving.

Ms. Oliveira asked if the carving would be moved after it is restored. Mr. O'Kelly said that City Buildings and Grounds staff would help with the relocation.

Mr. Fager asked why an interpretive plaque was not included in the budget. Mr. O'Kelly said that was an oversight on the Library's part.

**c. ArtFarm, City of Somerville, Parks & Open Space**

Luisa Oliveira shared that the Mayor has confirmed that ArtFarm will be the permanent use of the former trash transfer site. This will include an ArtBarn and a pump house that will allow the City to connect to the MBTA stormwater system. The remainder of the site will be open space, which the City is seeking CPA funds to create. Greg Jenkins provided an overview of the community process that led to the current design, which will be implemented in two phases.

Ms. Murugan asked if the City would request additional funds beyond the \$1 million request. Ms. Oliveira said that if the full \$1 million would be funded, the City would not make an additional CPA request. Mr. Fager noted that the CPA does not have \$1 million in funding to award so asked what the City would do to make up the difference. Ms. Oliveira said that it will require phasing some of the work, seeking CDBG funds, and requesting funds from the Board of Aldermen. She confirmed no CPA funds are being asked for the ArtBarn.

Ms. Murugan asked what would be available to use at the end of phase 1. Ms. Oliveira said that half of the site would be available to use by the community.

Ms. Carbone asked what the \$1 million would purchase. Ms. Oliveira said that the estimated total cost of the landscape will be \$1.6 million. The total cost will be determined once the project goes out to bid.

Mr. Fager asked if the Art Plaza was included in the project and what material will be used. Ms. Oliveira said it is included in the project and will be a permeable hardscape, but the material has not been selected yet. Mr. Fager asked if permeability is desirable in a brownfield. Ms. Oliveira responded that the soil has been remediated.

**d. Creating a Foundation for Sustainable Greening at ESCS, City of Somerville, Parks & Open Space + ESCS PTA**

The East Somerville Community School Parent Teacher Association withdrew their CPA application. They will be completing three of the four proposed activities in partnership with the Department of Public Works using existing funding.

**e. Kennedy School- Front Schoolyard, City of Somerville, Parks & Open Space + Kennedy PTA**

Arn Franzen said that the City and the Kennedy School PTA are seeking funds to renovate the front schoolyard at the Kennedy School, which is currently cracked asphalt with basketball courts. The Kennedy School is the last schoolyard that needs design funding for a renovation. The schoolyard serves the wider community after school hours.

Ms. Murugan asked when the construction of the schoolyard would happen. Mr. Franzen responded that he does not know what the timing will be but having a completed design is a necessary first step. Mr. Capuano pointed out that several projects that the CPC has recommended funding for have moved into construction.

Mr. Bauer asked if construction funding has been secured from the other schoolyard projects that have received design funding from CPA and what is the plan for securing construction funds for the Kennedy. Mr. Franzen responded that the City is currently undertaking several huge projects and once we have passed this bubble, the City should have more funding to support the construction of the schoolyards. Until then, the City is exploring other sources of funding.

Mr. Fager asked who had paid for the renovated tot lot in the back of the school. Mr. Franzen said he believed it was a combination of bond money and school admin money.

**Agenda item 3: Public comment**

*Caroline Rossi and Jean Griffin-* Wanted to share their support for the project. Their boys play basketball but they also enjoy other things. The project will also especially benefit the special populations in the school.

*Suzanne Altoff-* Her son will start using the front playground next year. He has development delays and there is nothing for him on that cracked asphalt. Physical activity is important for his growth. She asked the Committee to consider the needs of students with developmental delays who are starving for activity.

*Mark McKeen-* He noted his oldest daughter found it challenging to move from the tot lot to the asphalt because she does not like to play basketball. The lack of alternatives beyond basketball create a gender equity issue on the playground.

*Katie Anderson, Annabell Schneider, Eva Mead, and Kelly Mead-* Eva and Annabell shared their experience with playing on the asphalt. They are not able to make the most of recess and hope the space can be improved.

*Mark Hurrie-* As the principal of the Kennedy School, he noted his concern for the safety of the children playing on cracked asphalt. He does not think the current playspace can guarantee joy.

*Clay Larsen-* He spoke in support on ArtFarm and the work that Groundwork is already doing with a World Crop program, of which the Green Team is a part. Groundwork also partners with Green City Growers to make the greenhouse work. Green City Growers is planning to hire some of the Green Team members to help with the farm. ArtFarm will provide much needed urban agriculture space.

*Frank Martin*- He has two daughters at the school. The Kennedy Schoolyard is empty in the heart of the summer and it is an underutilized space. Many people walk by, so it could be well used. This portion of the city is particularly lacking in open space.

*Matt Ellison*- He has two daughters who will attend the Kennedy School. A redesign will really enrich that space, which can be a scary place for a little kid.

*Francesca Brockman*- She has children in the Kennedy School and works in the school. She noted that many incoming kindergarten families consider the front playground when deciding if they want to attend the Kennedy. The special needs students are not currently served by the space and it would be great if they had space they could use.

*Dyan Blewett*- She is the Treasurer for the Somerville Museum. The Museum is asking for assistance in saving its treasures. She also thanked the Committee for their previous support for the Museum.

*Vickie Choitz*- She spoke on behalf of ArtFarm because it supports Somerville's creative arts vibe. She thinks it will be an exciting space and very well utilized. It will also provide a balance to all of the development that will happen in that neighborhood.

*Evelyn Battenelli*- She has been a volunteer for 28 years at the Somerville Museum. She noted that very few cities have a treasure like the Somerville Museum. The Bullfinch staircase is a national treasure. To maintain other treasures such as a Civil War era collection of books, this work is necessary.

*Mark Jewell*- He spoke in favor of the Kennedy School. There has been uneven development of schoolyards across the city. We can do better for our kids by providing them quality space for them to be active.

*Peter Riordan*- He spoke in favor of the Kennedy School project. Improving the schoolyard could improve the space for the whole community.

**Next meeting: An additional meeting of the CPC will be held at 6:30pm on November 7, 2018.**

### **Meeting Adjournment**

Upon a motion by Mr. Capuano, seconded by Mr. Bauer, the Committee voted 6-0 to adjourn at approximately 8:00pm.

### **Documents and Exhibits**

- a. Agenda
- b. Slides from presentations

# Somerville Affordable Housing Trust Fund

## Semi-annual Community Preservation Act Progress Report

Presented to Somerville Community Preservation Committee October, 2018

### Background

Somerville's Affordable Housing Trust Fund (known alternately as the Trust and SAHTF) is pleased to provide this semi-annual update on Trust-funded activities to the City of Somerville Community Preservation Committee (CPC). For general information about the Trust, please see Appendix A.

### Summary of FY19 Somerville Affordable Housing Trust Funds

Recent CPA Housing Funds appropriated to the Trust

- Estimated FY19 Community Preservation Act funds  
On June 28, 2018 the Board of Aldermen voted to appropriate \$993,236 of estimated FY19 Community Preservation Act funds to be administered by the Trust in support of affordable community housing projects and housing support programs in the City of Somerville.
- Bonding  
On April 12, 2018 at the request of the CPC and the Trust, the BOA authorized bond financing for the appropriation of \$6,000,000 for acquisition of affordable housing through the 100 Homes Initiative, with debt payments to be funded through CPA revenue.

FY19 non-CPA revenue for the AHTF:

Expected non-CPA revenue sources for FY19 are summarized in Table 1, with detailed information by source and projected receipt in Tables 2 and 3.

Table 1 – FY19 AHTF Non-CPA Revenue

| FY19 AHTF Non-CPA Revenue Sources                           |                   | Notes                               |
|---|-------------------|-------------------------------------|
| Linkage payments  | \$896,000         | See Table 2 for further detail      |
| Inclusionary Fractional payments                            | Estimates pending | See Table 3 for further information |
| Loan repayments (not including payments based on cash flow) | \$25,462          |                                     |
| <b>Total Non-CPA Projected Revenue</b>                      | <b>\$921,462</b>  |                                     |

Table 2 – Breakdown of Linkage payments expected in FY19

| FY19 Linkage payments |                  | Projected Timeframe | Notes                         |
|-----------------------|------------------|---------------------|-------------------------------|
| Greentown Labs        | \$26,374         | Dec, 2018           | 2 <sup>nd</sup> of 5 payments |
| Partners              | \$869,626        | May, 2019           | 4 <sup>th</sup> of 5 payments |
| <b>Total Linkage</b>  | <b>\$896,000</b> |                     |                               |

Table 3 – Breakdown of Inclusionary Fractional payments expected in FY19

| <b>Projects expected to make Inclusionary Fractional payments in FY19</b> |                         |   |
|---|-------------------------|---|
| <b>Project Address</b>  | <b>Payment amount</b>   | <b>Notes</b>  |
| 44-46 Medford St.   | To be calculated        | Projects listed are under construction. Fractional payments are calculated and due before a certificate of occupancy is issued for a project. |
| 400-406 Mystic Ave.   | To be calculated        |   |
| 260 Beacon St.  | To be calculated        |   |
| 10-12 Ward St.  | To be calculated        |   |
| 17-25 Murdock St.   | To be calculated        |   |
| 32 Glen St.   | To be calculated        |   |
| <b>Total Inclusionary Fractional</b>                                      | <b>To be calculated</b> |   |

### History of CPA Allocations to the Affordable Housing Trust Fund

Prior fiscal years' CPA revenue designated for housing is summarized below in Table 4, CPA Allocations by Fiscal Year.

Table 4 – CPA Allocations by Fiscal Year

| <b>CPA Funding allocated to Trust for Affordable Housing</b> | <b>Appropriation Amount</b> |
|--|-----------------------------|
| FY14 + FY15  | \$2,206,028                 |
| FY16   | \$1,834,675                 |
| FY17   | \$880,416                   |
| FY18   | \$1,200,402                 |
| Bond revenue for 100 Homes                                   | \$6,000,000                 |
| FY19   | \$1,218,236                 |
| <b>Total CPA</b>   | <b>\$13,114,757</b>         |

### FY18 CPA Community Housing Requests for Proposals

In April 2018, the Trust issued two Requests for Proposals for FY18 CPA Community Housing funds:

- The CPA FUNDING OPPORTUNITY FOR HOUSING PROGRAMS, designated for programs that either create affordable housing units or provide rental assistance or other financial assistance to income eligible households for the purpose of making housing affordable. Five proposals were received.
- The CPA FUNDING OPPORTUNITY FOR DEVELOPMENT PROJECTS RELATED TO HOUSING UNITS, designated for projects that acquire, create or preserve affordable housing units. One proposal was received.

### CPA-Funded Housing Programs

In July 2018, the Trust awarded \$357,484 of FY18 CPA Housing funds to four of the program requests received during the RFP process. A fifth proposal was for uses that are ineligible for CPA funding. That agency has indicated an intention to submit a proposal for eligible uses during the next RFP cycle.

Seventy-five percent of the total program funding was awarded to two housing support programs that have sought and received CPA funding in the past. Twenty-five percent of the funds was awarded to two

housing support programs operated by agencies that had not previously applied for CPA support to address unmet needs. Housing programs that received CPA funds through the RFP are listed in Table 5.

Table 5 - FY18 Housing Program CPA Funding Awards

| Program   | Agency                                | Funding Award | Purpose   |
|---|---------------------------------------|---------------|---|
| Leasing Differential Program  | Somerville Homeless Coalition (SHC)   | \$62,532      | Rental assistance for formerly homeless and disabled residents living in 13 rental units at scattered sites throughout Somerville. Units are leased by SHC and sublet to tenants for permanent supportive housing (PSH). Assistance pays for a gap that exists between HUD payment for monthly rent and actual rent. Most clients have incomes below 30% AMI. Nine of the existing clients qualify as chronically homeless individuals. Clients include families and individuals with disabilities, including mental health, developmental, substance dependence, trauma and other physical medical conditions. All beneficiaries are Somerville residents. |
| CPA PASS Expansion: Prevention and Stabilization Services Housing Program | Somerville Homeless Coalition (SHC)   | \$199,952     | Two-years of rental subsidy for 6 Somerville households at risk of homelessness, or in transition out of emergency shelter system into apartments. Case management is also provided as part of the program using other sources of funds. Generally, households will have incomes at or below 60% AMI. The program is designed to work with Somerville residents experiencing a housing crisis (for instance burdensome rental increases and/or losses in income) to allow them to remain in the City.   |
| Somerville Better Homes 3 Permanent Supportive Housing Program            | Heading Home                          | \$45,000      | Rental assistance for 13 chronically homeless and disabled residents with incomes below 30% AMI. Units are leased by Heading Home and sublet to tenants for permanent supportive housing (PSH). Assistance pays for the difference between HUD payment for monthly rent and actual rent. Heading Home is currently securing leases for participants. Residents may have disabilities, a criminal record or behavioral health instability.   |
| Homelessness Prevention Assistance Fund                                   | Community Action Agency of Somerville | \$50,000      | Up to \$3,000 of assistance in the form of grants and loans to households for homelessness prevention (including first and last month's rent and security deposits). Estimated number of households: 11 to 25+. Most households will have income at or below 50% AMI. CAAS will also assist applicants with income up to 80% AMI in cases of severe hardship.   |

### FY18 CPA Funded Development Projects

Also in July 2018, the Trust awarded \$171,000 of FY18 CPA funds to support the creation of an affordable unit at 31-35 Richardson Street in a project that also preserves open space in perpetuity.

Table 6 shows the development project that received funding. The unit will be incorporated into the 100 Homes Initiative portfolio.

Table 6 - FY18 Housing Development Project CPA Funding Award(s)

| FY18 Housing Development Project CPA Funding Awards |  |           |           |   |
|---|--|-----------|-----------|---|
| Program   | Applicant                              | Request   | Funded    | Purpose   |
| 31-35 Richardson Street                             | Somerville Community Corporation (SCC) | \$171,000 | \$171,000 | Acquisition --Purchase two adjoining parcels in Magoun Square neighborhood. One parcel is to be preserved as permanently restricted open space. On the other parcel, preserve 1 existing single-family 3BR home to be sold at market-rate, and with two additional units to be constructed. One new approximately 900sf 2BR unit will be sold at market-rate (estimated market-rate purchase price: \$650,000) and one new approximately 900sf 2BR unit will be sold as affordable to households with incomes at or below 100%AMI (affordable purchase price at current limits: \$335,000). |

### Bonding Funds for 100 Homes

The 100 Homes Initiative activity has been sustained by SCC and the Trust and has achieved significant results. This report provides an opportunity to share details related to the mechanics of the program's operations.

#### Background

As reported in prior updates, Somerville's 100 Homes Initiative is based on a partnership between the City of Somerville and the Somerville Community Corporation (SCC). The Somerville Affordable Housing Trust's support using Community Preservation Act funding 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.

#### Details of the Initiative

The goal of the 100 Homes Initiative is to acquire properties that represent a mix of single and multi-bedroom units. Guidelines developed for the program call for affordable units to range from 50% Area Median Income (AMI) to 100% AMI, with a goal being to acquire units that can serve households throughout this range. Based on operation of the initiative to date, Table 7 shows goals for the overall effort.

Table 7 – Income category targets for overall production of 100 Homes initiative units

| Income category | Target % of total | Total project number of units | Acquired to date |
|-----------------|-------------------|-------------------------------|------------------|
| Up to 50% AMI*  | 20%               | 20                            | 14               |
| Up to 60% AMI   | 20%               | 20                            | 12               |
| Up to 80% AMI   | 20%               | 20                            | 7                |
| Up to 100% AMI  | 40%               | 40                            | 15               |
| Totals          | 100%              | 100                           | 48               |

### **Distribution of funding for purchase of 100 Homes Properties**

After a CPA Housing appropriation from the CPC has been transferred to the Trust CPA Housing account, funds that receive designation by the Trust for 100 Homes continue to be held by the Trust. Funding is disbursed to SCC on a property-by-property basis at the time of each property's acquisition, for the amount allocated for the specific property. The Trust continues to hold the balance of the CPA funds until the next purchase is identified.

Before the Trust issues a commitment letter to provide funding for SCC to purchase a particular 100 Homes property, OSPCD Housing Division staff conduct a review of whether the project will meet the goals of the initiative. Each individual proposed project must provide affordability in perpetuity and comply with 100 Homes Initiative requirements. If these conditions are established, Housing staff prepare legal agreements and deed restrictions specific to the property that will be recorded at the Registry of Deeds at the time of closing. These recorded documents ensure the affordability of the units going forward. Review and authorization from the Directors of the City's OSPCD, Auditing, Purchasing and Law Departments are required for each acquisition. Final sign-off for each is given by the Mayor.

The balance of all remaining CPA funds committed by the Trust for 100 Homes acquisitions continues to be held by the Trust until another new property has been identified, vetted by the City and approved through this process for the creation of subsequent affordable units.

### **Tenancing**

SCC and the Housing Division are finalizing the 100 Homes Program Tenant Selection Plan laying out a transparent, fair and open tenancing process and including the outreach and communication protocols of the City's inclusionary program. Prospective 100 Homes tenants complete an application to be entered into a lottery. Full income certification must be completed prior to offer of a lease. For the affordable units, total rent (inclusive of utilities or other associated fees) should not exceed 30% of a standard household's monthly gross income at the targeted Area Median Income.

There is a preference for households that currently live or work full time in Somerville, in order to mitigate potential displacement due to rising housing costs in Somerville. In no case shall a household be over housed (example: one person in a two bedroom unit).

### **Status and affordable unit production**

To date, SCC has completed acquisition of 48 units of the 100 that was set as the program's initial affordable unit production goal. Twenty-nine of the units are fully tenanted. Five units are occupied by formerly homeless individuals and families. Eighteen units are being renovated or have marketing plans in process in advance of making applications available to ensure that there is broad outreach to eligible applicants.

SCC reports that 100 Homes tenants have expressed relief that they now have one-year leases, permanent affordability and more housing security. The majority of the existing 100 Homes tenants have lived in Somerville for many years.

The 100 Homes Initiative is "scaling", and the OSPCD Housing Division is in the process of engaging third-party assistance to help ensure compliance with program requirements and is currently preparing an RFP for Program Management of 100 Homes Initiative Compliance Monitoring.

Table 8 on the following page shows CPA funds committed by the Trust to the 100 Homes Initiative.

Table 8 – CPA funds committed to the 100 Homes Initiative

| <b>CPA funds committed to 100 Homes to date</b> |                    |
|---|--------------------|
| FY14+FY15 CPA Housing funds                     | \$1,200,000        |
| FY16 CPA Housing funds                          | \$1,200,000        |
| FY17 CPA Housing funds                          | \$731,608          |
| FY18 CPA Housing funds                          | \$171,000          |
| CPA bonding (voted in FY18)                     | \$6,000,000        |
| <b>Total</b>                                    | <b>\$9,302,608</b> |

Of the funds listed above that have been committed by the Trust for acquisition of 100 Homes properties to date, \$2,029,063 is yet to be designated to specific properties.

### **CPA Stories – 100 Homes**

One of the 100 Homes properties has been the longtime home for five families from Honduras and El Salvador. The prior owner was charging very high rents while not maintaining the building. Since SCC purchased the building in January, the rents have been set to correspond to household incomes, and some families have seen their rents reduced by hundreds of dollars. There is still much work to do to catch up with the backlog of deferred maintenance, but SCC has begun the process by inspecting all of the apartments and prioritizing much needed repairs. The City has also leveraged HUD funding administered by the Housing Division that provides financial assistance for building rehab work and lead abatement for buildings with affordable units. In a market where it is so difficult to find affordable housing for large families, the 100 Homes Program has stabilized the tenancies of these five immigrant families, issuing yearly leases at rent levels set to be affordable to each by household income.

A Nepalese couple and their elementary school age son were living in an overcrowded situation in one of the early 100 Homes purchases. The father drove for Uber while the mother was finishing her education and seeking a job in the biotech field. In addition, they were expecting another child. The family was reluctant to complain, but it was clear to SCC that the family needed their own apartment but that it would have to be affordable. As soon as the opportunity arose through an additional 100 Homes purchase, the family accepted SCC's offer to move to a more suitable apartment at an affordable rent. Now a family of four, this family is thriving. Meanwhile, the other family in the original 100 Home apartment is doing very well also.

### **Updates on other previously funded projects and programs**

#### **Projects**

##### **Mystic Waterworks**

The building is fully occupied. Residents of the 25 units are seniors (aged 62 and up) and households that include a disabled resident. The 25 households selected by application for initial occupancy began move-in February 2018. Several residents have described moving in to their new home as a life-changing experience providing them security, dignity and a home that is affordable for a resident on a fixed budget. Stories shared by individual tenants were shared in the previous semi-annual Trust report to the CPC. Waitlist applications are continuing to be accepted to fill vacancies. The effort to bring the Waterworks project to completion and occupancy required both collaboration from multiple funding sources and perseverance by all stakeholders.

### **163 Glen Street**

163 Glen Street is an eleven-unit mixed-income condominium project. Eight units will be available to low- and moderate-income first-time homebuyers. Of those 8 units, four will be available to low-income households (defined as households earning <80% of the Area Median Income. Two units will be available to moderate income households (defined as earning between 81% - 100% of the Area Median Income) and two units will be available for moderate income households up to 110% of AMI (defined as households earning between 101-110% of the Area Median Income). The remaining three units will be sold at unrestricted market rates. 163 Glen Street is 70% complete construction with expected completion by November of 2018. SCC is conducting the affirmative fair marketing of the eight affordable condos. The affordable condo units will be available for sale in a range of \$198,214 up to \$330,000.

### **Clarendon Hill**

Prior semi-annual updates have reported that the Somerville Housing Authority, working with Preservation of Affordable Housing and SCC, requested funds for replacement of 216 deeply affordable public housing units, and the creation of 70 low- and moderate income units. The project would draw from multiple subsidy sources to replace all existing affordable units with upgraded apartments, and provide temporary relocation with a guaranteed right of all tenants in good standing to return.

Since the project team's request, the Trust indicated support for bonding of CPA funds to support the Clarendon Hill project, with that funding contingent on a further Trust vote, a vote by the CPC to recommend bonding for the project to the BOA, and BOA approval.

For several months the project team has focused on two home rule petitions. On July 31, the Legislature passed both petitions: H4580, An Act authorizing the Somerville Housing Authority to reconstruct the state funded Clarendon Hill public housing project; and H4856, An Act authorizing the Division of Capital Asset Management and Maintenance to convey certain land in the City of Somerville to the Somerville Housing Authority (referred to as Article 97 legislation). The Article 97 legislation was approved without substantive changes. H4580 was approved with an amendment that would require prevailing wage to be paid to workers on the entire project, rather than on just a portion of the project as had been proposed by the Housing Authority and its nonprofit and private partners to ensure the project's financial feasibility.

The development team's calculations indicate that the full prevailing wage requirement creates a significant financing gap. DHCD has extended the commitment of state funding to allow the development team time to further assess and identify additional funding sources that likely will be required to move forward and to continue to explore alternative construction methodologies that could yield significant savings.

### **Summary of Development Projects and Affordable Units**

For a list showing the size and affordability level of the project units that have been awarded CPA Housing Funds see Appendix B.

### **Programs**

Between FY14 and FY18, the Trust issued four RFPs specifically for Housing Support Programs. Through these RFP processes, funds have been awarded to five programs through nine separate awards. Table 9 on the following page summarizes housing program-related requests up to FY17.

Table 9 –CPA-funded Housing Programs up to FY17

| Program   | Applicant                                | Total Funded FY14-FY17 | Purpose  |
|---|--|------------------------|--|
| Leasing Differential Program  | Somerville Homeless Coalition (SHC)      | \$150,513 (3 years)    | <p>This award provided rental assistance for formerly homeless people living in 17 rental units at scattered sites throughout Somerville, leased by SHC and sublet to homeless and disabled Somerville residents. The 17 formerly homeless Somerville households encompassed 21 individuals.</p> <p>Most clients that were served had incomes below 30% AMI. Nine of the clients qualified as chronically homeless people as defined by HUD. Clients included families and individuals with disabilities. All beneficiaries were Somerville residents.</p>   |
| CPA PASS Expansion: Prevention and Stabilization Services Program (expansion) | Somerville Homeless Coalition (SHC)      | \$182,978 (2 years)    | <p>Beginning in Fall 2018, funding from two previous CPA PASS Expansion Program awards will provide rental subsidy to 6 Somerville households at risk of homelessness or in transition out of emergency shelter system into permanent housing for up to two years. Case management will be provided using other sources.</p> <p>Generally, households will have incomes at or below 60% AMI, while allowing flexibility to serve households up to 100% AMI should such households apply and meet all other eligibility criteria. The program is designed to work with Somerville residents experiencing a housing crisis (for instance burdensome rental increases and/or losses in income) to allow them to remain in the City.</p>   |
| ShortStop Leasing Differential  | Wayside Youth and Family Support Network | \$51,107 (2 years)     | <p>This award filled the difference in costs to lease the building and the amount HUD provides in leasing assistance at 116-118 North St. and 10 High St. The buildings house the ShortStop program which provided transitional housing and case management services to 9 homeless young adults to support development of client self-sufficiency. Participants are extremely low- and low-income. The program prioritizes serving youth and young adults from Somerville.</p> <p>Over the course of the CPA funding term 7/1/16 to 6/30/18, ShortStop served 39 young adults. 100% of them transitioned to permanent housing upon exiting the program. Educational and employment stability for youth residing in the building is supported through case management which continues after exit.</p> |

## Affordable Housing Trends

The Housing Division works with the City of Somerville Planning and Zoning Division to commission a housing needs assessment (HNA) at least every 5 years. The most recent assessment was completed by LDS Consulting Group in December, 2015. The Housing Division is issuing an RFP that will be available on October 24<sup>th</sup> with proposals due November 14<sup>th</sup> for a consultant to complete the next assessment. Information on housing trends in Somerville, including information drawn from the previous HNA is listed below.

- % of housing stock that is affordable
  - 9.69%
- Total number of affordable units (disaggregated by % of AMI)
  - 3,178 rental (voucher: 1,217; 30%: 2,583; 50%: 140; 60%: 289; 80%: 54) 112 ownership (80%: 77; 110%: 35)
- % of households who are rent burdened
  - 38.7% (8,114/20,947)
- % of households who are severely rent burdened
  - 17.8% (3,722/20,947)
- % of households who are cost burdened
  - 38.7% (4,318/11,239)
- % of households who are severely cost burdened
  - 19.0% (2,134/11,239)
- # of affordable units expiring in the next five years
  - Between 279 and 285
- SCC average wait time
  - 3-5 years
- # of homeless individuals in Somerville
  - 10 unsheltered; 124 sheltered

## Somerville Affordable Housing Trust Fund

The City of Somerville Community Preservation Committee has designated the Somerville Affordable Housing Trust Fund (SAHTF or Trust) to administer Community Preservation Act (CPA) Community Housing funds. The Trust was created in 1989 by city ordinance, and its first programs began in 1991. Its purpose is to preserve and create affordable rental and homeownership units in Somerville and carry out programs to assist homeowners and renters directly. All of its activities must benefit low and moderate-income households (with incomes at or below 110% of area median income).

The Trust was initially capitalized by a \$400,000 allocation of municipal funds and federal program income. All linkage fees from commercial development in Somerville are administered by the Trust, as are payments made in lieu of units pursuant to the city's Inclusionary Zoning Ordinance. Repayment of loans provided by the Trust to affordable housing developers, first time homebuyers and renters receiving security deposit, arrearage or other loans are reinvested by the Trust into new affordable housing projects and programs.

The projects and programs receiving CPA funds must constitute a CPA allowable spending purpose as defined by the state Department of Revenue. CPA Community Housing eligible uses include the following five categories:

- *Acquisition* – to obtain property interest by gift, purchase, devise, grant, rental, rental purchase, lease or otherwise. Eminent domain takings only as provided by G.L. c.44B.
- *Creation* - to bring into being, cause to exist.
- *Preservation* - protect personal or real property from injury, harm or destruction.
- *Support* - provide grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance directly to individuals and families eligible for community housing or to an entity that owns, operates or manages such housing for the purpose of making housing affordable.
- *Rehabilitation and Restoration* – eligible if property was acquired or created with CPA funds. Capital improvements to comply with federal, state or local building or access codes or federal standards for rehabilitation of historic purposes.

### Priorities and Criteria

Housing developed with CPA funds may be offered to those persons and families whose annual income is less than 100% of the area-wide median income, as determined by HUD. The following priorities apply when CPA funds are allocated by the Trust:

- Preserve or increase the supply of affordable housing in Somerville.
- Mitigate displacement of low-to-moderate income households.

The following criteria are used when the Trust considers project- and program-funding requests:

- Demonstrated capacity to carry out the project/program and ability to continue the project/program beyond the funding period.
- Preference for non-profit applicants. If two non-profits propose similar projects/programs, Trustees assess the need within the community (i.e., is the need great enough to support the work of two agencies?).
- Preference for agencies based in Somerville.
- Viable development/program budget and secure funding status, with ability to leverage other funding.
- Ability to document a measurable impact.
- Development projects and housing programs that foster SomerVision goals and other City plans, including those of the Community Preservation Committee.

In addition, the Declaration of Trust for the AHTF requires that:

- at least 20% of the trust funds must serve households with incomes between 0-50% of median
- at least 20% must serve households with incomes between 51-80% of median
- at least 10% must serve households with incomes between 81-110% of median.

Fifty percent (50%) of Trust funds are discretionary and can be allocated over these three target income categories. The Trust regularly reviews its allocation of funds by income category to ensure that the income requirements of the Trust are met. The Trust encourages deeper affordability where possible, to the extent it is consistent with project feasibility. Many housing development loans and grant-funded programs serve households with incomes below 30% of AMI. The Trust also seeks to encourage projects and programs that serve homeless households. Trustees also require a commitment to the preservation of affordability in perpetuity.

For more information about the Trust, contact the City of Somerville Office of Strategic Planning and Community Development, Housing Division

Appendix B: Units awarded CPA Housing Funds to date

| PROJECTS<br>AWARDED CPA<br>FUNDING               | BR<br>MIX  | UNITS BY AMI AFFORDABILITY LEVELS |      |      |      |       |       | TOTAL<br>UNITS | TYPE      |
|--|--|-----------------------------------|------|------|------|-------|-------|----------------|-----------|
|  |  | <30%                              | <50% | <60% | <80% | <100% | <110% |                |           |
| SHA Waterworks                                   | 25 1BR   | 5                                 | 20   |      |      |       |       | 25             | rental    |
| 163 Glen St.                                     | 7 2BR<br>1 3BR                                       |                                   |      |      | 4    | 2     | 2     | 8              | ownership |
| 100 Homes<br>Homeownership<br>- 31-35 Richardson | 1 2BR  |                                   |      |      |      | 1     |       | 1              | ownership |
| 100 Homes<br>Homeownership<br>- 29 Jackson Rd.   | 1 2BR<br>1 5BR                                       |                                   |      |      | 1    | 1     |       | 2              | ownership |
| 100 Homes Rental<br>- all other units            | 1 STD<br>14 1BR<br>13 2BR<br>9 3BR<br>7 4BR<br>1 5BR |                                   | 13   | 12   | 12   | 8     |       | 45             | rental    |
| <b>TOTAL UNITS<br/>BY % AMI</b>                  |  | 5                                 | 33   | 12   | 17   | 12    | 2     | 81             |           |

|  |    |  |
|--|----|--|
| CPA funded affordable units as of October, 2018: | 81 |  |
|--|----|--|

Note: All units listed except 31-35 Richardson have been acquired. Additional units that are not listed here are currently under agreement or are subject of a negotiation with a seller.

FY19 CPA Funding Applications- Public Comment Analysis

23 individuals spoke for projects at the community meetings (0- Oct 11; - Oct 24)  
 123 individuals submitted written comments

|                                   | Project name            | # supportive-<br>meeting | # supportive-<br>written      |
|-----------------------------------|-------------------------|--------------------------|-------------------------------|
| Open Space &<br>Recreational Land | ArtFarm                 | 2                        | 47<br>(3 in FY18; 30 in FY17) |
|                                   | Kennedy School          | 10                       | 35                            |
| Historic Resources                | Mission Church          | 0                        | 13                            |
|                                   | WPA Bas-Relief          | 0                        | 0                             |
|                                   | Armory                  | 0                        | 13                            |
|                                   | Somerville Museum       | 2                        | 0                             |
|                                   | Elizabeth Peabody House | 0                        | 12                            |
|                                   | Grace Baptist Church    | 0                        | 0                             |







**CPA Non-bonded FY19 Funding Reserve Allocations by Project**

|                                   | Open space         | Historic Preservation | Undesignated     | Total              |
|-----------------------------------|--------------------|-----------------------|------------------|--------------------|
| <b>Total Available</b>            | <b>\$397,295</b>   | <b>\$397,271</b>      | <b>\$456,443</b> | <b>\$1,251,009</b> |
| 5 Palmer conservation restriction | \$6,000            |                       |                  | \$6,000            |
| Kennedy School                    | \$75,000           |                       |                  | \$75,000           |
| ArtFarm                           | \$1,000,000        |                       |                  | \$1,000,000        |
| Elizabeth Peabody House           |                    | \$28,000              |                  | \$28,000           |
| Mission Church                    |                    | \$115,000             |                  | \$115,000          |
| Somerville Museum                 |                    | \$137,283             |                  | \$137,283          |
| Armory Windows                    |                    | \$36,000              |                  | \$36,000           |
| WPA Bas-Relief                    |                    | \$3,500               |                  | \$3,500            |
| Grace Baptist Church Restoration  |                    | \$637,100             |                  | \$637,100          |
| <b>Total Requested</b>            | <b>\$1,081,000</b> | <b>\$956,883</b>      |                  | <b>\$2,037,883</b> |
| <b>Remaining Funds</b>            | <b>-\$683,705</b>  | <b>-\$559,612</b>     | <b>\$456,443</b> | <b>-\$786,874</b>  |
| FY19 Housing distribution         | \$1,283,256        |                       |                  |                    |

**Land Acquisition Earmark**

|                    |     |
|--------------------|-----|
| Open space reserve | \$0 |
|--------------------|-----|

**Debt Service Projections**

| Bond                             | Max. debt service | Max. % of CPA surcharge |
|----------------------------------|-------------------|-------------------------|
| ArtFarm (\$1,000,000)            | \$74,137          | 2.9%                    |
| ArtFarm (\$786,874)              | \$58,336          | 2.3%                    |
| ArtFarm (\$5,000,000)            | \$37,068          | 1.3%                    |
| West Branch (\$2,500,000)        | \$185,342         | 7.3%                    |
| 100 Homes (\$6,000,000)          | \$444,821         | 17.6%                   |
| Housing committed (\$10,000,000) | \$741,368         | 29.3%                   |

**Maximum percentage of total surcharge going to debt service**

With ArtFarm max                      39.5%  
 Without ArtFarm                        36.6%



## FY19 Budget Fixing Tables

### FY19 CPA Fund revenue

|                                   | FY18 Budget        | Update             | Difference       |
|-----------------------------------|--------------------|--------------------|------------------|
| <b>FY19 Estimated Revenue</b>     | <b>\$1,986,473</b> | <b>\$2,281,590</b> | <b>\$295,117</b> |
| Surcharge Revenue                 | \$1,781,590        | \$1,781,590        | \$0              |
| City appropriation                | \$0                | \$500,000          | \$500,000        |
| State match of FY18 local revenue | \$204,883          | \$0                | -\$204,883       |

### Unappropriated FY18 funds available for FY19

| Funding Source                 | Amount           |
|--------------------------------|------------------|
| <b>FY18 City Appropriation</b> | <b>\$500,000</b> |
| <b>Additional FY18 Income</b>  | <b>\$144,489</b> |
| Assessment revenue difference  | \$134,083        |
| Tax title redeemed (liens)     | \$1,890          |
| Tax title interest             | \$656            |
| CPA interest                   | \$4,301          |
| Investment income (I CPA)      | \$3,560          |
| <b>Total</b>                   | <b>\$644,489</b> |

**FY18 Actual Revenue**

| FY18 Total Revenue                   | Amount             |
|--------------------------------------|--------------------|
| Budgeted                             | \$1,984,489        |
| Additional state match on FY17 funds | \$46,401           |
| City appropriation                   | \$500,000          |
| Additional revenue                   | \$144,489          |
| <b>Total</b>                         | <b>\$2,675,379</b> |

**FY18 Actual Allocations**

| CPA Category          | Awarded FY18 | Actual Percent of Revenue | CPP Minimum Allocation (%) | Required Minimum Allocation (\$) | Difference    |
|-----------------------|--------------|---------------------------|----------------------------|----------------------------------|---------------|
| Affordable Housing    | \$913,901    | 34%                       | 45%                        | \$1,203,920.68                   | \$290,019.68  |
| Historic Resources    | \$304,633    | 11%                       | 15%                        | \$401,306.89                     | \$96,673.89   |
| Open Space/Recreation | \$713,131    | 27%                       | 15%                        | \$401,306.89                     | -\$311,824.11 |
| Admin                 | \$84,069     | 3%                        | NA                         | NA                               | NA            |

**Total Reserve Adjustments: BOA request**

|                            | FY18 (Extra Revenue) |
|----------------------------|----------------------|
| Open Space/Rec Reserve     | \$0                  |
| Historic Resources Reserve | \$96,674             |
| Community Housing Reserve  | \$290,020            |
| <b>Total</b>               | <b>\$386,694</b>     |
| Budgeted Reserve           | \$257,796            |

**Affordable Housing Trust Appropriation: BOA request**

|                           | Amount             |
|---------------------------|--------------------|
| Jun. 2018 initial reserve | \$993,236          |
| FY18 additional reserve   | \$290,020          |
| <b>Total</b>              | <b>\$1,283,256</b> |

**Total Available for FY19 by CPA Category**

|                                 | <b>FY19</b>        | <b>FY18</b>      | <b>Returned</b> | <b>Total</b>       |
|---------------------------------|--------------------|------------------|-----------------|--------------------|
| Open Space/Rec Reserve          | \$397,295          | \$0              | \$0             | \$397,295          |
| Historic Resources Reserve      | \$297,971          | \$96,674         | \$2,626         | \$397,271          |
| Community Housing Reserve       | \$993,236          | \$290,020        | \$0             | \$1,283,256        |
| Budgeted Reserve                | \$198,647          | \$257,796        | NA              | \$456,443          |
| Admin                           | \$99,324           | \$0              | NA              | \$99,324           |
| <b>Total Available for FY19</b> | <b>\$1,986,473</b> | <b>\$644,489</b> | <b>\$2,626</b>  | <b>\$2,633,588</b> |

