

CITY OF SOMERVILLE, MASSACHUSETTS
SOMERVILLE AFFORDABLE HOUSING TRUST FUND
JOSEPH A. CURTATONE
MAYOR

Mary Cassesso, Managing Trustee

Trustees
Ben Ewen-Campen
Michael Feloney
Kathryn Gallant
Donna Haynes
Daniel LeBlanc
Andrea Shapiro

Minutes
January 10, 2019 Meeting – 6:15pm
Somerville City Hall 3rd Floor Conference Room
79 Highland Avenue, Somerville, MA 02143

Trustees present: Mary Cassesso, Ben Ewen-Campen, Mike Feloney, Kathryn Gallant, Donna Haynes, Danny LeBlanc, Andrea Shapiro

Trustees not present: none

Staff attending: Heidi Burbidge, OSPCD Housing Division

Others present: George Proakis, OSPCD Executive Director
David Gibbs, Community Action Agency of Somerville (CAAS) Executive Director and
Community Land Trust Working Group member
Liz Haney, Graduate Student MIT Department of Urban Studies and Planning and
Community Land Trust Working Group member

Meeting started at 6:18pm with Andrea Shapiro serving as chair.

1. Review and Approval of Meeting Minutes

Trustees reviewed draft minutes of the November 8, 2018 Trust meeting that Heidi Burbidge had drafted. A **motion** was introduced to approve the November 8, 2018 meeting minutes which was seconded and PASSED, 6-0.

2. Communications

Update on status of Trustee reappointments and vacancies

- Mike Feloney announced that Lisa Davidson had accepted a position as Housing Grants Manager with the City of Somerville Housing Division and had started work on January 7th. Her departure from the Somerville Homeless Coalition made necessary her resignation as representative of a non-profit organization on the Trust and she has submitted her notice of such to the Mayor. Mike noted that notification to Trustees of her impending resignation was delayed due to the December meeting cancellation. Heidi reported that she will be working with staff to the City's Appointment's Advisory Committee to draft a posting for the vacancy and will notify Trustees when the position is posted. After the application deadline interviews will be conducted by the Appointments Advisory Committee which will make recommendations to the Mayor for City Council approval.

Heidi provided an update on the vacancy for the low-income tenant representative on the Trust. Of three applicants for the position, the Appointments Advisory Committee recommended Jessica Turner. She is an officer in Clarendon Residents United, and has been involved in advocating for its revitalization. Her nomination was on the agenda for that evening's BOA meeting.

Heidi also noted that she will share information with Trustees about four pending Trustee reappointments when she receives an update about them from the City Clerk.

Clarendon Hill – update on project status

- Danny LeBlanc provided an update that the likelihood of the Clarendon Hill project moving forward depends primarily on two areas of ongoing work: the feasibility of modular construction and securing below market-rate equity capital. Danny anticipated that by the end of January prospects for the project would be clear. Changes to design would be necessary and would involve reengagement with residents and the community prior to zoning relief being sought.

Ben Ewen-Campen asked about whether there was any investment in the project from the IBEW. Danny noted that an arm of Prudential is the main investor and Prudential may manage some of IBEW's employee pensions or other assets, however investment in the project likely comes from blended funds, and so there wouldn't be a direct investment of IBEW pension funds.

Mary Cassesso joined the meeting at 6:30pm and assumed the role of chair.

BOA resolution re: establishing a dedicated housing fund for municipal employees

- Ben Ewen-Campen provided context to the resolution approved by the Board of Aldermen on November 20, 2018 “that the Trustees of the Affordable Housing Trust Fund establish a dedicated fund within that Fund to provide direct housing assistance for municipal employees struggling to remain in Somerville, which could be funded through revenue from a real estate transfer fee.”

Danny noted that there is a wide range of ways that people could be assisted, and given the status of a proposed real estate transfer fee there will be time for discussion. Mary noted that the Trust has invested in the creation of workforce housing and that it continues to be a need across the board in this housing market. Mike noted that there had been some discussion two years ago of a targeted fund. At that time, then OSPCD ED Mike Glavin noted that there could be equity concerns associated with a fund giving city employees an advantage over other residents.

Update on recent and upcoming linkage payments

- George Proakis provided background on linkage agreements and payments associated with commercial developments in Assembly Square. Federal Realty Investment Trust was originally granted an exemption for linkage owed on 300,000 square feet of its development. OSPCD has reclassified that exemption as a permit fee waiver, thereby creating \$1.1 million in linkage revenue. George also noted that the City's revised linkage ordinance has required that all commercial buildings permitted since Partners headquarters pays linkage on every square foot of development, without exemptions.

George shared a table showing the status of the linkage schedule for projects in Assembly Square. The list includes Blocks 10, 4, 1, 3, 2B, 2A, 6 and 5A, where payments have commenced or will be made later in January, and for Blocks 5B and 8 where linkage payment amounts are pending architect certification. Altogether, the commercial square

footage of all of the blocks listed totals 957,046 square feet, and will generate a total of \$4,389,577, mostly coming in annual installments over a five-year period. Payments to the Trust expected from December 2018 to January 2019 total \$683,451.

In addition, further development with pending building permits at Block 8 includes 31 affordable units and will generate just over \$10 million for creation of estimated 49 additional units to be acquired off site. Payments for this will be made to a housing finance organization in four installments, with the first installment of \$2 million expected soon.

In response to questions from Trustees, George noted that there is some potential for the redevelopment of some existing commercial uses in the Assembly Square neighborhood that would generate additional linkage in the future. Also, there are approximately five proposed hotel developments across Somerville that would generate linkage.

3. Ongoing/Unfinished Business

Status of Trust contracts

- Heidi reported on the status of Trust contracts. Information is corrected here to say that 14 out of 17 contracts have been completed and 3 contract amendments are in process.

Ben Ewen-Campen left the meeting at 6:55pm.

Status of need for Trust ordinance revisions

- Mike noted that revisions to the Trust ordinance will continue to be kept as a standing agenda item for monthly meetings, and that adoption of a home rule petition to allow Somerville's Affordable Housing Trust to stand apart from state Trust enabling legislation remains a priority for the City administration. The City anticipates pursuing this along with other home rule petition priorities during the upcoming legislative session.

4. New Business

Community Land Trust working group

- David Gibbs and Liz Haney presented the work of the Community Land Trust (CLT) Working Group and the group's efforts to establish a Somerville CLT that would acquire and maintain ownership of property to create and preserve affordable housing. Homes on CLT land would be sold or rented to income eligible residents. Possible ways that a CLT might acquire property include acquisition of public land, donation of private land, inclusionary zoning, using a CLT subsidy in conjunction with Right to Purchase provisions of the City's condominium conversion ordinance, and/or purchasing property on the regular market. The CLT Working Group's mission also includes promotion of neighborhood stability and engagement, and the empowerment of low- and moderate-income people and other advocates for community control of land. The CLT would be governed by a board of directors made up of 1/3 CLT residents, 1/3 other Somerville residents and 1/3 housing professionals and community leaders.

The Working Group met eleven times in 2018 and has conducted extensive research. The group will be submitting a Recommendations Report to the BOA/City Council in time for the Board's January 24th meeting. Recommendations include: that the CLT be incorporated as soon as possible and with assistance from the City; that the City assist with community engagement efforts as needed and that the Board of Aldermen provide funding for technical assistance. The Working Group is also recommending that the City

provide a preference for community-based organizations like CLTs in the RFP process for the disposition of City-owned properties. The CLT Working Group is seeking more volunteers to participate in these efforts.

In response to questions from Trustees, David and Liz noted that the Working Group has identified several city parcels that would be suited for this use; there is also a private owner who is interested in potentially selling their property to a CLT once established. The Working Group is also looking to pursue the possibility that outreach to older Somerville residents may identify some who would be interested in transferring ownership of their property to the Trust in exchange for lifetime occupancy and assistance with maintenance or other help.

Monthly non-CPA financial reports for September, October, November

- Review of monthly financial reports was postponed to February, to allow time for remaining agenda items.

Monthly CPA financial reports for June, July, August, September, October, November

- Review of monthly financial reports was postponed to February, to allow time for remaining agenda items.

Draft 2019 Calendar for Trust Meetings and activity areas

- Heidi distributed a draft list of calendar items for 2019 that includes all monthly Trust meetings, the timeline for Trust RFPs and the schedule for Trust reports that include annual reporting to the Department of Revenue, the semi-annual Trust reports to the Community Preservation Committee and the quarterly Trust reports to the City Council. Andrea suggested that this be considered more of a workplan than a calendar and called it a good start.

Community Preservation Act – Request for Proposals schedule

- Heidi distributed copies of the FY19 CPA Development Project RFP and the FY19 CPA Housing Program RFP. She noted that both of the CPA RFPs are in the same template as that of FY18. Terms for housing programs awards would start July 1, 2019 and end June 30, 2020. Heidi noted that in light of clarifications from the Department of Revenue received since the last fiscal year's RFP, eligible uses for housing programs have been adjusted to allow rental arrears assistance and to remove moving costs and realtor fees. Trustees requested that Heidi adjust the Housing Program RFP to reflect that, in case multiple proposals to operate similar programs are received, that the Trust may have the flexibility to select one or more of them. Heidi asked Trustees to provide any comments by January 15th, and that she anticipates posting the RFPs on January 22nd with March 5th deadline.

Tenancy Stabilization Program – Request for Proposal schedule

- Heidi distributed copies of the Tenancy Stabilization Program RFP and noted that this RFP is also in the same template as the previous year's. The program term would be from July 1, 2019 to June 30, 2020 with Just-a-Start's current term ending at the end of June. Heidi asked Trustees to provide any comments by January 15th, and that she anticipates posting the RFPs on January 22nd with March 5th deadline.

SomerVision 2040

- Mike shared an invitation for the Trust to participate in SomerVision 2040. Mary indicated that she might be able to participate to some degree and it was noted that, once appointed, a new Trustee might be able to step into this role to provide fresh engagement

from the Trust. Heidi will follow up with Mary and with a new Trustee to make sure they are on the contact list for the SomerVision planners.

Mary Cassesso suggested shifting the start time of the February 14th meeting to begin at 4:30pm. Heidi agreed to follow up with all Trustees about time and location. At approximately 7:45pm a motion was made to adjourn which was seconded and passed, 6-0.

Next meeting date – The next meeting date will be Thursday, February 14, 2019 at 4:30pm at the Somerville Central Library Auditorium (note confirmed time and location).

Documents distributed:

- Draft November Trust meeting minutes
- BOA resolution to establish dedicated fund for municipal employees
- Table: Status of linkage – ongoing projects – December 2018 – FRIT/Assembly
- Creating a Somerville Community Land Trust presentation slides
- Monthly non-CPA financial reports for September, October and November
- Monthly CPA financial reports for June, July, August, September, October, November
- Draft 2019 Trust calendar items
- FY19 CPA Development Project RFP with Application
- FY19 CPA Housing Program RFP with Application
- Tenancy Stabilization Program RFP
- Request for Trust representation on Somervision 2040