

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

Mary Cassesso, Managing Trustee

Trustees
Lisa Davidson
Michael Feloney
Donna Haynes
Daniel LeBlanc
Beth Monroe-Howe
Mark Niedergang
Martin Polignone
Andrea Shapiro

Minutes
November 9, 2017 Meeting – 5:30pm
City Hall, 3rd Floor Conference Room
93 Highland Avenue, Somerville, MA 02143

Trustees present: Mary Cassesso, Lisa Davidson, Mike Feloney, Donna Haynes, Danny LeBlanc, Mark Niedergang, Martin Polignone and Andrea Shapiro

Trustees not present: Beth Monroe-Howe

Staff attending: Michael Glavin, Executive Director, Mayor’s Office of Strategic Planning and Community Development; Heidi Burbidge, City of Somerville Housing Division

Others attending: Ward 7 Alderman Katjana Ballantyne; Cory Mian, Vice President, Real Estate Development, Preservation of Affordable Housing (POAH) and Scott Hayman, Director of Real Estate, Somerville Community Corporation (SCC)

The meeting began at 5:35pm with Andrea Shapiro serving as chair.

1. Review and Approval of Meeting Minutes

Trustees reviewed Meeting Minutes of the November 1, 2017 Trust meeting drafted by Heidi Burbidge. Danny LeBlanc introduced a **motion** to approve the November 1, 2017 meeting minutes which was seconded by Donna Haynes and PASSED, 7-0.

Note: The item below, regarding Monthly financial reports for May, June, July, August, and September 2017 was taken out of order in anticipation of Mary Cassesso’s arrival, to allow for her participation in the discussion of Action on 2017 CPA Housing Project proposals.

4. New Business

Monthly financial reports (May, June, July, August, September 2017) -- Heidi distributed and reviewed the May, June, July, August and September 2017 monthly financial reports.

Mary Cassesso joined the meeting and assumed the role of chair at 5:42pm.

Danny made a **motion** to accept the reports, which was seconded. The motion PASSED, 7-0.

Request from Somerville Homeless Coalition to amend Leasing Differential Program proposal— Heidi Burbidge presented a written request from the Somerville Homeless Coalition to increase the amount of FY17 Community Preservation Act (CPA) funds awarded by the Trust by \$15,849 to \$57,825, to be used for lease payments and staff salaries as a part of the Leasing Differential program year FY18. The increase would cover rent increases and additional households being served.

Lisa Davidson recused herself from the discussion and left the room while it took place.

A **motion** was made to increase the amount of FY17 Community Preservation Act funds awarded to the Somerville Homeless Coalition by \$15,849 to \$57,825, to be used for lease payments and staff salaries as a part of the Leasing Differential program year FY18. The motion was seconded and PASSED, 7-0.

Lisa Davidson rejoined the meeting.

2. Unfinished Business

Action on 2017 CPA Housing Project proposals – The status of the Clarendon Hill and 100 Homes projects were discussed as follows:

- Clarendon Hill: OSPCD Executive Director Michael Glavin summarized further discussions that had taken place since the last Trust meeting November 1, 2017 between the City and the Clarendon Hill project development team regarding total subsidy needed for the affordable housing portion of the project. The City has continued to consider other sources and in-kind contributions beyond SAHTF to allow the Trust flexibility to support other affordable housing projects. An example of the latter is that the City expects to waive building permit fees for the affordable housing portion of the. Such a waiver will decrease the amount of Trust funds that otherwise would be needed.

Michael Glavin noted his preference to keep a bonding request for Clarendon Hill in the range of \$3 million to \$5 million. Mike Feloney referred Trustees to the Clarendon Hill potential sources and uses document that was distributed at the November 1, 2017 meeting and shows potential payments for debt service after the first two years of interest-only payments.

Mike Glavin left the meeting at 5:55pm.

Cory Mian provided an update on project status, and overall \$10 million subsidy needed. POAH is also continuing a community process with regard to the overall development. The developer will be meeting in the near future with the Massachusetts Department of Conservation and Recreation to advance progress addressing traffic concerns and associated site plan improvements. Updated plans will then be shown to and discussed with residents and the community. The development team's goal is to start construction by summer 2018. Construction is expected to last roughly four years.

100 Homes - Scott Hayman informed Trustees that SCC has a 16 unit property on Broadway under agreement as a part of the 100 Homes program. That building along with a 6-unit property on Austin Street and a 3-unit property on Merriam Street will bring the total number of 100 Homes units to date to 45.

At the request of Trustees, Mike Glavin rejoined the meeting.

Mike Glavin requested that Trustees consider whether a total of approximately \$7 million raised through bonding might be authorized for the two projects. Trustees requested further information about the context for City finances, and discussed whether it would be preferable to assume that only one request would be made to the CPC for these two projects, or whether the Trust might return to the CPC to request additional funds, subsequent to the bond amount now being contemplated.

Danny LeBlanc recused himself from deliberations and left the room at 6:09 p.m.

In response to a question about her comfort level regarding financing for the Clarendon Hill project, Cory Mian stated that she is optimistic but that there is work to do to bring other sources to the table, and that would require the requests to the CPC and the BOA move forward.

Timing and wording of the bond request to the BOA was further explored with Trustees noting that the Trust and the CPC could request up to a certain amount, which would then be discussed by the BOA's finance committee for recommendation. The bonding itself would be done by the City after BOA approval, which is done every year.

Trustees considered whether there would be support for a request higher than that which had been contemplated by OSPCD. It was noted that there are possible new linkage commitments from projects under review by the City. If and when approved they will result in additional annual Trust revenue.

Cory Mian and Scott Hayman left the meeting at 6:32.

A straw poll showed that there was support for a total request in the \$7 million to \$10 million range, with a preference toward a higher amount. Donna Haynes made a **motion** that the Trust submit a formal bonding request to the CPC for up to \$10 million to be allocated by the Trust to both the Clarendon Hill project and the 100 Homes project to support the creation of new affordable units. The motion was seconded by Mark Niedergang and PASSED, 8-0.

Mike Feloney will attend the November 14, 2017 CPC meeting to present the request from the Trust. Danny LeBlanc will attend and be available to answer questions.

Mark Niedergang and Katjana Ballantyne left the meeting at 6:47pm,.

3. Communications

- Draft FY17 Annual Report

Mike Feloney distributed a copy of the draft Trust Annual Report for review by Trustees, with a request that comments be submitted in time for Heidi Burbidge to complete revisions before the next meeting. Mike also provided an update on the audit currently underway, which is expected to conclude with a report by the auditor in the next few weeks.

Next meeting date – The next meeting date will be December 14th at 6:15pm.

The meeting adjourned at 7:30pm with a motion adopted 7-0.

Documents distributed:

- November 1, 2017 meeting minutes
- Monthly financial reports (May, June, July, August, September 2017)
- Letter from Somerville Homeless Coalition requesting amendment to Leasing Differential Program proposal and award
- Draft Annual Report