

**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  
Jessica Turner

**Minutes**

**May 9, 2019 Meeting – 6:15pm**

Somerville City Hall 3<sup>rd</sup> Floor Conference Room  
93 Highland Avenue, Somerville, MA 02143

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

Trustees not present: Mary Cassesso

Staff attending: Heidi Burbidge, OSPCD Housing Division

Members of the public attending: Scott Hayman, David Gibbs

Meeting started at 6:20pm with Andrea Shapiro serving as chair.

**1. Review and Approval of Meeting Minutes**

Trustees reviewed draft minutes of the April 11, 2019 Trust meeting that Heidi Burbidge had drafted. Danny LeBlanc introduced a **motion** to approve the April 11, 2019 meeting minutes which was seconded by Katie Gallant and PASSED, 6-0.

**2. Communications**

Update on status of Trustee reappointments and vacancies

- Mike reported that Brielle Short attended a meeting of the Committee of Appointments and Personnel Matters on May 6<sup>th</sup>. The committee enthusiastically recommended her appointment. The committee report was on the agenda for the May 9<sup>th</sup> City Council meeting. He noted that upon appointment, Heidi would set up a time to provide Brielle with an orientation before the June Trust meeting.
- Mike noted that Trustees had received a copy of a letter from Danny to Mayor Curtatone providing notice of Danny's upcoming resignation from the Trust, effective July 31<sup>st</sup>. Danny reported that his duties as CEO at Somerville Community Corporation (SCC) including the organization's 50th anniversary events taking place over the next year would be time consuming and that he plans to retire from SCC at the end of that year. Mike noted Danny's extensive contributions as a Trustee to increase affordable housing opportunities in Somerville.

Trustees noted the need for vigorous outreach to potential candidates before filling the position being vacated by Danny. Ben Ewen-Campen encouraged Danny to provide suggestions for candidates before the end of his term.

- Mike noted that reappointments of Donna Haynes and Mary Cassesso were in the Confirmation and Personnel Matters Committee.

*Jessica Turner joined the meeting at 6:30pm.*

Clarendon Hill – update on project status

- Danny provided an update that SCC had signed a letter of intent with Jan Snel Company. He noted that company representatives were in Somerville that week to plan a trip to allow project team members to view modular construction by Jan Snel that is comparable to what is being considered for Clarendon Hill. He also noted that Redgate was conducting further review of a term sheet from Prudential for equity investment in the project.

Pending enabling legislation for transfer fees

- Heidi reported that a coalition of over a dozen advocacy groups including Housing Division Sustainable Neighborhoods Initiative Coordinator Hannah Carrillo and Office of Housing Stability Director Ellen Shachter has met several times and agreed on objectives for a transfer fee. There are now three different proposed transfer fee bills and small group of the coalition plan to meet with the three state representatives who are sponsors of these bills to see if they can agree on principles. Danny noted that given the state budget process schedule it is likely that hearings will not be scheduled until this fall at the earliest.

*Danny LeBlanc recused himself and left the meeting at 6:45pm. Scott Hayman joined the meeting.*

### **3. New Business Item**

Amended request from SCC regarding 24-26 Mt. Pleasant Street

- Heidi reported that Housing staff had received a revised request from SCC on Tuesday afternoon and had distributed it by email to Trustees on Wednesday. She introduced Scott Hayman, Director of Real Estate at SCC.

Scott noted that in April Trustees had approved SCC's request for \$1,620,000 in CPA funds to support the acquisition and redevelopment of 24-28 Mt. Pleasant Street to create 6 permanently affordable rental units at 80% AMI. Scott noted that project may be eligible to leverage \$1.2M in subsidy from the state through the Community Scale Housing Initiative (SCHI). Since the approval of the Trust award, SCC was preparing to submit a proposal for SCHI. SCC then determined to make a further request to the Trust with two components: first, to use the CPA subsidy as the source of acquisition funding for the project at zero interest; and second, for a \$200,000 bridge loan to be used as an acquisition source as well.

*Ben Ewen-Campen left the meeting at 6:50pm.*

Scott noted that DHCD's funding priorities favor projects like this, with a large local subsidy investment, and that DHCD staff had expressed positive feedback about the Trust's commitment to the project. He reported that Lynn Shields from DHCD had suggested that SCC ask the Trust to consider whether its commitment of CPA funds could be used as an acquisition source at zero interest in order to reduce the financing costs for the project.

Mike noted that the subsidy per unit in the project was high and that it seems likely that in general such subsidy amounts will continue to be needed for projects like this when acquisition costs are high.

Scott noted that this request to the Trust would allow project savings on fees, insurance and points for loans. SCC would try to earn a small developer fee.

*Scott Hayman left the meeting at 7:05.*

Donna Haynes made a **motion** that the Trust award of \$1.62 million of CPA funds that was made on April 11, 2019 to the Somerville Community Corporation for the 24-26 Pleasant Street project be designated as a source of acquisition funds; and that further the Trust award a bridge loan of \$200,000 of CPA funds also to be used for project acquisition purposes and to be repaid at the end of the construction period. The motion was seconded by Mike Feloney and PASSED, 5-0.

*Danny LeBlanc returned to the meeting.*

#### **4. Ongoing/Unfinished Business**

Status of Trust ordinance revisions

- Heidi distributed copies of draft language for a Home Rule Petition that would allow the Trust to provide funding to Housing support programs. Danny suggested re-wording language to clarify that housing units would still be funded by the Trust. The next step will be to review HRP language with the Mayor's office. Mike noted that the Mayor's office staff had expressed the view that the Home Rule Petition would not be controversial and would not require extensive deliberation by the City Council Legislative Committee. It was noted that Ben had volunteered to take a lead to bring the Council's focus to the intent and goal of the Home Rule Petition once it is before them. Danny noted that in order to be passed this year the petition would need be voted on by the state legislature by the end of July.

Possible foreclosure at 59 Temple Street status

- Mike reported that the attorney for Boston Private Bank and Trust had informed staff that BPB&T was taking the action required in order to give foreclosure notice. He noted that the homeowner had been going in and out of default for over a year and that housing staff and other housing support agencies had been reaching out them almost weekly during that time with minimal response. Mike noted that staff would continue to keep Trustees up to date in case action by the Trust to preserve the affordable unit is requested.

Trust contracts status

- Heidi reported that all FY18 contracts were executed and programs were operational. She reported that she sent out award letters the previous week for FY19 proposals that were approved at the April Trust meeting and had started drafting the contracts.

#### **4. New Business (resumed)**

Monthly non-CPA financial report for March 2019

- Heidi reviewed the non-CPA financial report for March. Activity included one loan payment and interest earned.

Monthly CPA financial report for March 2019

- Heidi reviewed the CPA financial report for March. Activity was limited to interest earned.

Timeline and Objectives for Strategic Planning

- Heidi distributed documents that were used during the Trust's most recent strategic planning process that was completed in 2014. She noted that she was providing them as information for new Trustees in particular about what a process might entail. The

documents included the RFP issued by the Trust for a consultant to lead the previous process, the consultant's work plan, and the Trust's Strategic Vision Plan and Guidelines that were produced by the process. Heidi proposed that the Trust might issue a RFP in June with strategic planning process to start in September. Trustees noted a preference to wait to initiate a Strategic Planning process until after the Trust Home Rule Petition was resolved, instead. It was requested that a line item for strategic planning be added to the FY20 Trust budget.

## 5. Announcements

Danny announced that the annual Save Our Homes walk would be held on Sunday, June 9<sup>th</sup> and that both walkers and sponsors are needed.

Danny LeBlanc made a **motion** to adjourn which was seconded by Donna Haynes and passed, 6-0.

*Next meeting date – The next meeting date will be Thursday, June 13, 2019 at 6:15pm in the Somerville City Hall 3<sup>rd</sup> floor conference room.*

Documents distributed:

- Draft April Trust meeting minutes
- Revised funding request from SCC for 24-26 Mt. Pleasant Street
- Monthly CPA and non-CPA Trust financial reports for March
- Draft language for Trust Home Rule Petition
- Strategic planning process documents from 2014