

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

Mary Cassesso, Managing Trustee

Trustees

Lisa Davidson
Ben Ewen-Campen
Michael Feloney
Donna Haynes
Daniel LeBlanc
Martin Polignone
Andrea Shapiro

Minutes

June 14, 2018 Meeting – 6:15pm

City Hall, 3rd Floor Conference Room
93 Highland Avenue, Somerville, MA 02143

Trustees present: Ben Ewen-Campen, Mike Feloney, Donna Haynes, Daniel LeBlanc, Martin Polignone, Andrea Shapiro

Trustees not present: Mary Cassesso, Lisa Davidson

Staff attending: Heidi Burbidge, OSPCD Housing Division

Member of the public attending: Meredith Porter

Meeting started at 6:17pm with Andrea Shapiro serving as chair.

1. Review and Approval of Meeting Minutes

Trustees reviewed draft meeting minutes for the May 10, 2018 Trust meeting drafted by Heidi Burbidge. Martin Polignone introduced a **motion** to approve the May 10, 2018 meeting minutes which was seconded by Danny LeBlanc. The motion PASSED, 6-0.

2. Communications

Transfer Charge Draft Home Rule Petition status update

- Ben Ewen-Campen reported that on May 24, 2018 the Board of Aldermen unanimously voted to request a Home Rule Petition to authorize the City to impose a Real Estate Transfer Fee to support affordable housing. The request is now being considered at the State House where it has been sent to the Joint Committee on Revenue; hearing is scheduled for June 20th.

Linkage payment from Partners day care

- Heidi reported that a payment of \$69,916.40 from Partners HealthCare to the Trust was received June 8, 2018 and represents a lump sum payment of the linkage obligation for the day care portion of the Partners Assembly Square development. The payment will be reflected in the June Trust Financial Report.

Just-a-Start Tenancy Stabilization Program – update on use of funds

- Heidi shared an informational memo about the use of funding awarded to Just-a-Start to operate the Trust’s Tenancy Stabilization Program. Heidi reported that their contract provides \$60,000 of Trust funds for use during a one-year term that began on March 1, 2018 and will expire on February 28, 2019. Just-a-Start has been able to provide

assistance at a rate that will spend down all of the contract's funding well in advance of the contract's term. Of the \$51,000 available for housing assistance, only \$6,685 remains unobligated, and that amount is already committed to applicants with upcoming move-in dates and is projected to be spent by the end of July.

Numerous referrals to the program came from City Inclusionary Housing staff, for applicants moving in to 28 units that have recently been leased at Montaje, the rental development currently being occupied at Assembly Row. There is a second set of 28 units, out of 56 total inclusionary rental units expected to come online within roughly the next six months. Just-a-Start has indicated that being able to respond quickly with funds for applicants has been important to tenants' ability to actually move into the units. Inclusionary housing staff have confirmed this information, and noted that JAS's experience is consistent with patterns in the past in which there has been especially high demand for the program during lease-up of large inclusionary projects, such as Avalon and AVA circa 2014-2015.

Heidi shared the preceding information to provide background on a possible July recommendation to consider allocating further funding to the program, given the rapid pace at which funds allocated to the program in Fiscal Year 2018 are being expended. Trustees requested that in advance of the July 12th meeting, staff distribute by email the following: guidelines from the FY18 Tenancy Stabilization RFP, the number of households assisted with incomes at or below each of the 50% AMI and 80% AMI income categories, and the income limits and rents levels corresponding to each of those AMI category for inclusionary units at Montaje.

3. Unfinished Business

Clarendon Hill status update and related action

- Heidi shared for consideration by Trustees a draft letter from the Trust to Preservation of Affordable Housing (POAH) in support of the Clarendon Hills project and the Home Rule Petition to allow the project to go forward. Danny said that the developers are aiming to have the matter considered at a legislative hearing the last week of June and that a decision by the state is necessary to maintain existing financing. CHAPA and MACDC have agreed to submit letters of support.

Mike reported that the City's funding commitment for the Clarendon Hills project was made conditional on stipulations from the BOA related to a range of development issues such as traffic, parking and labor concerns, and that the development team has agreed to sign a funding conditions letter for which the Mayor, BOA President and the SAHTF Managing Trustee would also be signatories.

Trustees expressed their inclination to request that Mary Cassesso sign both letters, given the agreement's indication that community concerns that have been part of pre-development work will continue to be addressed during the development process. Martin Polignone made a **motion** authorizing Mary Cassesso to sign the Clarendon Hills development conditions letter on behalf of the SAHTF, which was seconded by Donna Haynes. The motion passed 5-0-1, with Danny LeBlanc recusing himself and leaving the meeting prior to the vote. Donna Haynes made a **motion** authorizing Mary Cassesso to sign the Clarendon Hills Home Rule Petition letter of support to Preservation of Neighborhood Housing, which was seconded by Martin Polignone. The motion passed 5-0-1 with Danny LeBlanc recusing.

Danny LeBlanc returned to the meeting at 6:55pm.

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

4. New Business

Financial Reports

- Heidi distributed the following: a non-CPA Trust financial report for the month of April, a draft non-CPA Trust FY19 budget, and a draft CPA financial report for the month of May. She reviewed the non-CPA Trust financial report for the month of April and noted the income from linkage payments received in April as well as payments received in May. Donna Haynes made a **motion** to accept the April non-CPA Trust financial report which was seconded by Danny LeBlanc and passed 5-0.

Heidi turned attention to the draft non-CPA Trust FY19 budget and reviewed non-CPA income and expenses expected in FY19.

The meeting recessed at 7:00pm so that Trustees could attend a recognition in the BOA chambers of the work of Mark Alston-Follansbee who is retiring as Executive Director of the Somerville Homeless Coalition.

At 7:15pm Heidi resumed presentation of the draft non-CPA Trust FY19 budget showing all expected non-CPA income and expenses in FY19. In response to a question about amount of Trust funds showing as available at the start of FY19, Heidi noted that she would update the draft to include payments received since the most recent FY18 bank statement, as well as any others that are received before the beginning of FY19.

Heidi reviewed the draft CPA monthly financial report for the month of May as a proposed template for monthly CPA reports going forward. It was requested that the monthly CPA financial reports be formatted to show from which fiscal year expenses are funded.

FY18 CPA RFPs

- Heidi distributed a summary matrix of the six proposals that were received in response to the Trust’s FY18 CPA RFPs. One development project proposal was received, and five housing program proposals were received. The total amount of CPA funds requested is \$545,984. Full copies of each proposal were also distributed.

FY18 CPA Development Project Proposal received		
Somerville Community Corporation	31-35 Richardson St. (Open Space/100 Homes)	\$171,000

FY18 CPA Housing Program Proposals received		
Somerville Homeless Coalition	CPA PASS Expansion (2 years)	\$199,952
Somerville Homeless Coalition	Leasing Differential (Better Homes)	\$62,532
Community Action Agency of Somerville	Homelessness Prevention Assistance Fund	\$50,000
Heading Home	Somerville Better Homes 3	\$45,000
RESPOND	Emergency Shelter and Homeless Program	\$16,500

(see matrix for summaries)

Heidi reviewed selected proposal highlights from the summary matrix. Initial comments and additional information were offered and the following comments were made:

Project proposal.

- Danny noted that there would be a neighborhood meeting regarding the 31-35 Richardson proposal early next week.

Program proposals.

- Heidi explained the two proposals from SHC were renewed funding requests for existing Trust-funded programs.
- CAAS's Homelessness Prevention Assistance Fund proposal is similar to the Trust's Tenancy Stabilization Program that is currently operated by Just-a-Start.
- Heading Home's proposal for Somerville Better Homes 3 is a leasing differential program for HUD-funded units for homeless households, and appears to be similar in nature to SHC's Better Homes Leasing Differential Program. Heading Home has been having trouble finding units to lease in Somerville with rents below HUD's fair market rent. Housing staff will be meeting with Heading Home staff on this topic later in June.
- RESPOND's is for client case management which is not an eligible use for CPA funds.
- Danny suggested that Trustees should further consider whether Trust guidelines should limit or encourage the administration of similar programs by multiple providers. In cases where different client populations are served it could be helpful; otherwise numerous contracts may result in additional administrative burden.
- It was also noted that the total amount requested by all proposals represents a significant increase from prior years, which should be taken into account for annual budgeting purposes.

Heidi noted that the July meeting agenda would include voting on funding requests.

Heidi shared information she had received from Beth Monroe-Howe that she had retired from the Somerville Housing Authority at the end of May, and would no longer serve as the SHA Director's designee to the Trust. The SHA Director will designate a replacement for follow-up action. Staff and Trustees noted that they have had positive experiences with several SHA staff persons and it was suggested that their names could be relayed to SHA as possible replacements.

Trust Contract with CPC

- Heidi shared copies of an agreement issued by the Community Preservation Committee (CPC) designating the Trust as the CPC's agent for administering CPA Housing Funds during FY19. Heidi noted that the CPC made one change compared with previous agreements; this agreement states that in FY19, interest earned on CPA Housing Funds shall be transferred to the CPC's account as undesignated CPA funds whereas interest earned on previous appropriations was incorporated into affordable housing project and program allocations. Although he and other Trustees expressed some reservation about the loss of interest earned for housing funds, Danny LeBlanc made a **motion** to authorize Mary Cassesso to sign the agreement with the CPC on behalf of the Trust, which was seconded by Donna Haynes. The motion passed, 5-0.

Possible foreclosure at 59 Temple Street

- Mike reported that Housing Division staff are monitoring the situation of a homeowner at 59 Temple who is facing a possible foreclosure on their affordable unit. As original developer of the project, SCC has reached out to the household to offer resources for

financial counseling. Should the property be foreclosed upon, the attached affordability restrictions would terminate, resulting in loss of an affordable unit in the City's housing stock. Housing Division staff has been working with SCC in the case that a foreclosure should precipitate an auction of the unit. Danny LeBlanc suggested that Housing Division staff also consider referring the household to Urban Edge for additional foreclosure counseling.

5. Announcements

Second Chances office-warming open house

- Andrea announced that Second Chances would be hosting an office-warming open house on Tuesday June 19th from 4:30pm to 6:30pm at their offices.

At 7:40pm Danny made a **motion** to adjourn that was seconded by Martin and passed, 5-0.

Next meeting date – The next meeting date will be Thursday, July 12, 2018 at 6:15pm.

Documents distributed:

- Draft May Trust meeting minutes
- Informational Memorandum from Heidi Burbidge Re: Just-a-Start Tenancy Stabilization Program status
- Draft letter of support for Clarendon Hill
- Non-CPA Trust monthly financial report for April
- Draft Non-CPA Trust FY19 Budget
- Draft CPA monthly financial report for May
- Summary matrix of CPA RFP Proposals received
- CPA Proposals received
- Partially executed Community Preservation Committee contract with Trust