

**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**

**August 9, 2018 Meeting – 6:15pm**

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

Trustees present: Mary Cassesso, Ben Ewen-Campen, Lisa Davidson, Mike Feloney, Donna Haynes, Danny LeBlanc

Trustees not present: Martin Polignone, Andrea Shapiro

Staff and others attending: Heidi Burbidge, OSPCD Housing Division, Katie Gallant

Meeting started at 6:15pm with Mary Cassesso serving as chair.

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

Trustees reviewed draft meeting minutes for the July 12, 2018 Trust meeting drafted by Heidi Burbidge. Danny LeBlanc introduced a **motion** to approve the July 12, 2018 meeting minutes which was seconded by Lisa Davidson. The motion PASSED, 6-0.

**2. Communications**

SHA Director Designee to the Trust

- This agenda item was taken out of order so that Kathryn (Katie) Gallant could be introduced as the new designee to the Trust from the Somerville Housing Authority (SHA). Katie is the Senior Housing Manager overseeing all SHA public housing units. She attended the August meeting in an introductory capacity, in anticipation of being sworn in as a Trustee before the September 13<sup>th</sup> Trust meeting.

Transfer Charge Draft Home Rule Petition status update

- Ben Ewen-Campen reported that the transfer charge home rule petition that was passed by the Board of Aldermen and submitted to the state Legislature did not advance to the point of being voted on before the formal legislative session ended on July 31st. While it could be considered during an informal legislative session after July 31<sup>st</sup>, that is unlikely.

Clarendon Hill Draft Home Rule Petition status update

- Danny distributed an update memo dated August 3, 2018 from representatives of SHA, Preservation of Affordable Housing (POAH), Somerville Community Corporation and Redgate. The memo explained that the Clarendon Hill draft home rule petitions were approved by the legislature. The petition regarding disposition of state property (required to improve traffic) was approved without substantive changes.

The other HRP was substantially altered, to require that prevailing wage standards be applied to the entire project, including construction of the market-rate component. Representatives from Redgate estimate that this will require an additional \$20 million cost to the project. DHCD has extended the commitment of state funding until September 30<sup>th</sup> to allow the development team time to further assess and identify additional funding sources that likely will be required to move forward.

Danny noted that union pension funds, other socially-minded investors, low-interest bonds from the State and other sources all are being explored as ways to reducing costs (by reducing the cost of capital), but all pose issues of their own also. The development team will also continue to meet with labor representatives as well. Mike Feloney noted that the Mayor also had sent a letter to Clarendon Hill residents and Somerville community members on August 9<sup>th</sup> with a status update.

#### Possible foreclosure at 59 Temple Street - status update

- Mike Feloney noted that over the last four months Housing Division staff have continued outreach to the owner of an affordable condominium unit at 59 Temple who has been facing the possibility of foreclosure. Staff have provided the homeowner with referrals to financial counseling and job placement programs. The Trust has authorized work with SCC under similar circumstances in the past, given that affordability restrictions could be wiped out by foreclosure. As noted at previous meetings, potential need for Trust assistance remains a possibility in the event the lender wants to foreclose.

#### Trust reports to the Community Preservation Committee

- Heidi Burbidge distributed copies of two semi-annual reports from the Trust to the Community Preservation Committee (CPC). The reports provided information on Trust activity and progress on CPA-funded projects for the last two six-month reporting periods. The fall 2017 report was shared in draft form with the Trust in December 2017, and subsequently updated. The second report covered the period up to April, 2018. Both now include “CPA stories” that illustrate the impact of the CPA funding.

Heidi shared that Mary Cassesso and Danny LeBlanc attended the July 25<sup>th</sup> CPC meeting at which the reports to CPC members, and acknowledged that the reports were transmitted after the respective October (2017) and April (2018) target date. Danny noted CPC members commented on the high quality of the reports. Mary also noted feedback on the timing of the reports and stressed the importance of providing the semi-annual reports by the CPC-prescribed deadline.

Mary reported that she had committed to CPC members in attendance that SAHTF would “never be late on another report”, and that if there are issues regarding the level of staff resources currently available to support Trust-related work, there should be discussion of whether additional resources are needed. Mary requested a draft of the next report to the CPC due October 1, 2018 for the September meeting. Discussions of timely transmittal of CPC reports segued to Trustee questions on the status of remaining program contracts; updates provided in response and related discussion points are summarized under ‘unfinished business’.

### **3. Unfinished Business**

Heidi provided an update on the status of three contracts remaining for execution, all of which were in the signature routing process and expected to be completed by August 17<sup>th</sup>. Trustees requested a monthly update at Trust meetings on status of contracts. Heidi also reported that she has begun work on contracts for the most recently approved Trust CPA commitments voted in July, 2018.

## Housing Support -- Eligible Uses

- Trustees requested an update on follow-up to the Trust vote taken on May 10, 2018 for the Trust to request that the City administration explore all options to be able to implement housing programs that have been determined to be ineligible for Trust and CPA funding. These programs include landlord-tenant mediation, legal assistance, case management, housing counseling, financial counseling, moving costs and shelter staffing. Trustees also suggested that staff explore potential for the Trust to seek outside assistance to clarify and expedite resolution of issues on approach(es) to a municipality operating a Housing Trust outside of the state enabling legislation and the possibility of reverting to the terms of the original ordinance under which SAHTF operated until 2004/2005.

At its July 12, 2018 meeting the Trust had authorized staff to apply for pro bono legal assistance from the Lawyers Clearinghouse. Heidi reported that staff had not yet submitted an application; before doing so staff wanted to share that the application makes clear that assistance focused helping non-profits otherwise unable to afford legal services. Before investing time on an application, staff also wanted to touch base w/ the City Law Department on whether existing staff could provide sustained assistance that may be needed; if not, staff will work on an application that can document services are not already available.

Mike noted that Housing staff and Law Department personnel (among others) have been working to clarify the issues involved since they arose in 2016. For trustees not serving at that time, he briefly mentioned that efforts include consultation with Massachusetts Housing Partnership staff, and submittal of a request for clarification on eligible uses from the MA Department of Revenue, after extended consideration of whether to do so.

Danny suggested that staff pursue development of a clear path toward resolving the issues involved in the next month, as to what if anything can be done to address the issue, short of revising the current ordinance based on the State's enabling Housing Trust legislation. Mary commented that if nothing can be done, then revision of the ordinance, including home rule legislation that presumably would be required, should be pursued.

## 4. New Business

### Affordable Unit Sale at Wheatland Street

- Mike briefed trustees on issues regarding the anticipated resale of an affordable condominium with a DHCD restriction at 88 Wheatland Street. In order to ensure preservation the affordability restriction on the condominium, the City must find an eligible and qualified buyer within a time period that expires October 12<sup>th</sup>.

While City staff have been working with the selling household to identify a buyer, after a prospective purchaser decided against purchasing the property DHCD has expressed concern that the October deadline may not be met (meaning the owner technically would be entitled to sell at market-rate without the affordability restriction). DHCD has requested that the City have a contingency plan to ensure preservation of the unit's affordability.

Toward that end, City staff have reached out to SCC to determine if it would be willing to "buy and hold" the property until an eligible buyer could be identified. Danny explained that a similar approach has been utilized in the past to help address such timing issues. Trustees indicated their willingness to authorize such a motion if it became necessary. Staff and trustees' sense was that this willingness did not necessitate a vote at this time,

as staff could communicate to DHCD that Trustees consider this an acceptable option. Trustees agreed that they could be available for an emergency meeting for a formal vote to designate funds before the deadline, if the sale has not gone through to an individual eligible buyer through the process that is underway.

At 7:10pm Donna Haynes made a **motion** to adjourn that was seconded by Lisa Davidson and passed, 6-0.

*Next meeting date – The next meeting date will be Thursday, September 13, 2018 at 6:15pm.*

Documents distributed:

- Draft July Trust meeting minutes
- August 3, 2018 memo from Somerville Housing Authority, Preservation of Affordable Housing, Somerville Community Corporation and Redgate regarding the Somerville Clarendon Hill Public Housing Redevelopment Home Rule Petitions H.4856 and H4580
- Somerville Affordable Housing Trust Fund Semi-Annual CPA Progress Report, November, 2017 (updated July, 2018)
- Somerville Affordable Housing Trust Fund Semi-Annual CPA Progress Report, July, 2018