

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 Munroe-Howe
Mark Niedergang
Andrea Shapiro

Minutes
October 20, 2016 Meeting – 3:30 PM
City Hall, 3rd Floor Conference Room
93 Highland Avenue, Somerville, MA 02143

Trustees Present: Lisa Davidson, Michael Feloney, Donna Haynes, Danny LeBlanc, Beth Munroe-Howe, and Andrea Shapiro

Acting Clerk to Trust: Heidi Burbidge, City of Somerville Housing Division

Guests Present: none

The meeting began at 3:30p.m. with Andrea Shapiro serving as chair.

1. New Business

- Review of Minutes from September 23, 2016 Meeting

A **motion** to approve the September 23, 2016 Meeting Minutes was introduced by Danny LeBlanc with a second by Donna Haynes. The motion PASSED 6-0.

- Review of monthly financial statements (June, July, August 2016)

Heidi Burbidge presented the financial statements June through August.

A **motion** was introduced by Donna to approve the June, July and August, 2016 statements. Danny seconded the motion which PASSED 6-0.

- Draft Progress Report to CPC on CPA funds

Mike reviewed the draft report on use of Community Preservation Act funding, to be presented to the Community Preservation Committee (CPC) the next week. The basic format for the report was provided by CPA staff; the first several sections discuss priorities and processes, followed by tabular summaries on status of funds allocated to date. The final two sections include information on 'lessons learned'.

In the past questions CPC members have asked included requests for updates on progress, and on the time required to complete projects. Mike noted that while there was a lot of project activity during the period under review, actual disbursements have not yet happened. Drawdowns of allocated funds are expected to happen soon for Mystic Water Works and for 100 Homes sites.

Trust-member feedback included:

- taking out the second person voice in the conclusion/lessons learned section;
- providing a “Funds Obligated” column and an “Other Sources” column to tables, to demonstrate current status in a way that communicates current status clearly, and demonstrates leverage Trust funding helps generate.
- including a footnote indicating that ‘other sources’ information is subject to change.

- FY17 preliminary budget projections

FY17 preliminary budget projections listed on the agenda were tabled until a future meeting.

2. *Follow-up from August Meeting*

- Follow up to discussion regarding allowable uses of Municipal Trust and CPA funds

Heidi shared email correspondence received recently on 10/17/16 from Massachusetts Housing Partnership (MHP) staff. The email explained that information provided at the recent MHP Trust training that staff attended had been overly restrictive. MHP will be issuing a correction.

The message went on to note that Housing Support is currently an allowable use for both Trust and CPA funds. It is also understood by Housing Division staff that Housing Support may not cover all of the component parts of local housing programs. A list of Housing Support Programs funded by SAHTF was distributed for reference.

Trustees agreed that since no previously allowed uses were removed as a result of the changes at the state level, that going forward Trustees and staff should assume that the same programs are eligible. Trustees suggested that due to the ambiguous information recently issued by MHP, that staff contact Jennifer Goldson, a presenter at the training who previously worked with SAHTF, to see if she has additional insight related to these issues. General concern was expressed about changes at the state level affecting services that are difficult to support.

It was asked and confirmed that no commitments by the Trust are being withheld at this time based on uncertainty of interpretation. Commitments that use the City’s Purchasing Department contract template are now poised for execution, following revisions that were recently made to the City’s template. The Tenancy Stabilization Program has spent all money from their past contract and is not yet obligating new money to applicants or invoicing the City. That new contract should be executed within the month.

As a part of this preceding discussion, a document titled “Somerville Affordable Housing Trust Fund – Selected Historical Information (Prepared October 2016)” was distributed to provide context for when and how the Commonwealth’s enabling legislation was extended to the SAHTF.

- Discussion of Fair Market Rents, voucher programs

Heidi circulated and reviewed a draft analysis of Somerville rents that she and Evelyn Persoff had prepared. The impetus of the analysis had been reports from housing providers about the continued challenges and difficulty in housing tenants within FMR limits.

In response to the draft analysis, Trustees thanked staff and offered feedback. Questions included the validity of online sources such as Craigslist and Apartment Finder. Staff acknowledged the initial presence of duplicate listings and described efforts undertaken to screen out duplicates. It was suggested that staff make calls to local brokers asking them to share apartment rents. It was also suggested to refer to Banker and Tradesman information.

Discussion followed about the disparity this report found between current rents and the amounts public sources allow to be spent for rent. It was noted that HUD limits rents to FMRs within McKinney supported programs, while HOME regulations apply to PASS program. The question was asked about whether we could get HUD approval to include rents above the FMR, and whether we would need to do so.

Section 8 is mostly administered by SHA, which could raise allowed rents, however fewer people would be served. It was asked to what degree the Trust should fill gaps. There was discussion of voucher holders moving outside of Somerville and the trade-off between the making the most efficient use of limited resources, and the value of keeping low-income households in Somerville. The point was made that Trust funds are generated locally and should be spent locally.

It was noted that follow-up with SHA could help clarify some of these issues. Linda DeProfio at the SHA would be the best person to contact about these issues.

- Vacant Trust Position Update

It was recommended that Martin Polignone be invited to the November Trust meeting whether his appointment is confirmed or not.

3. *Announcements:*

- Heidi shared an information sheet about 6 affordable inclusionary rental units at 315 Broadway available through a lottery process. (2 1BR's and 4 2BR's, with 3 for households below 50%AMI and 3 for households below 80%AMI). Deadline for applications is December 15, 2016.
- Danny announced that SCC is developing 8 affordable units at 163 Glen Street, of a total of 11 units at that project. 15 inclusionary affordable ownership units are now under construction at Assembly Square as well. In total, 23 affordable units will be offered for sale through lottery processes, probably within a few months' time. He said that these represent the highest number of affordable ownership units to be offered in one year in a long time. SCC is considering conducting Lenders Fairs and First Time Homebuyer classes to prepare applicants in advance, and is hoping to collaborate with other partners.

The meeting adjourned at 5:02pm with a motion from Donna seconded by Lisa and adopted 6-0.

Documents Reviewed:

- Draft September 2016 Minutes
- June-August 2016 Trust financial account statements
- 10/17/16 email from Shelly Goehring, MHP
- Somerville Affordable Housing Trust Fund—Selected Historical Information (Prepared October 2016)
- Somerville Affordable Housing Trust Fund—Bi-annual CPA Progress Report (for CPC)
- Housing Support Programs funded by SAHTF—October 2016 (list)
- Somerville Selected Rental Market Comparability Analysis--2016
- Info sheet for 315 Broadway