

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
September 23, 2016 Meeting – 8:45 AM
City Hall, 3rd Floor Conference Room
93 Highland Avenue, Somerville, MA 02143

Trustees Present: Mary, Lisa, Michael, Donna, and Danny

Clerk to Trust: Kelly Donato and Heidi Burbidge, City of Somerville Housing Division

Guests Present: none

The meeting began at 8:45a.m. with Mary Cassesso serving as chair.

1. New Business

- Review of monthly financial statements from February 2016-May 2016
Heidi Burbidge presented the financial statements.

A **motion** was introduced by Danny to approve the February, March, April and May statements. Donna seconded the motion which PASSED 5-0.
- Review and Approval of August 10, 2016 Meeting Minutes

A correction was requested to refer to U.S. Congressman Michael Capuano by his accurate title.

A **motion** was introduced by Danny LeBlanc with a second by Donna Haynes, and PASSED 5-0 to approve the August 10, 2016 Meeting Minutes, with one correction.
- Massachusetts Housing Partnership Municipal Trust Training held 9/16/16
Michael Feloney, Kelly Donato and Heidi Burbidge presented information from a Massachusetts Housing Partnership training that they attended covering Municipal Trusts and Community Preservation Act funding. In recent years, there was a push to clarify Trust legislation at the state level regarding the authority of Municipal Trusts to carry out “support” activities of housing, in addition to the “preservation” and the “creation” of housing. While a change was recently made to that Trust legislation allowing some forms of housing “support,” that change only applies to projects funded by the Trust using Community Preservation Act money, and is limited to support such as rent assistance programs. Non-CPA Trust funds, it has been clarified, are not allowed to be used for any type of housing “support.”

Discussion of this information by SAHTF Trustees followed. It was noted that Somerville’s Trust predated the State enabling legislation (Municipal Affordable Housing Trust Fund Law (MGL c.44

§.55C) in 2005), and that in 2005 Somerville AHT funds were frozen until adoption of the MA State Chapter when Somerville “accepted” G.L. c.44, §55C. Trustees want to have a better understanding of under what governance does the Trust functions: i.e., whether there was a home rule petition, what occurred with our local ordinance from 1989 and the current local ordinance from 2005 and how it relates to State legislation.

If it is governed by the State legislation, the Trustees also wish to know, with regard to this specific issue, whether the Somerville housing services that have been approved for funding are allowable uses of the Trust money. Trustees recommended that programs be notified of the status of the state legislation, and Housing Staff responded that this communication had already begun with notification to Somerville Homeless Coalition with regard to funding being sought for their Passages program. Another question raised was whether this legislation that goes into effect in November 2016 applies to decisions made before that time. Mike Feloney indicated that the Housing Division does not intend to pursue retroactively.

Housing staff have also notified the city administration of this issue and that our concern will be shared at the State level. Failing progress there, alternative sources of funding will be sought for programs that would have otherwise been supported by SAHTF. Programs that will be reviewed by Housing staff for eligibility include all NOFA program applicants, Passages, as well as Tenancy Stabilization Programs. It was noted that research on what projects other local Trusts like in Cambridge and Newton fund could also be informative. It was noted that the changes to the State legislation seemed to occur with little public input or outreach.

Trustees requested further research on all of the issues discussed, with reports back at the October meeting. No immediate decisions will be made until there is a better understanding of the Trust’s autonomy to fund housing support programs that fulfill local needs.

- Community Preservation Act Report submitted to State—a summary description of projects funded by CPA Housing funds in FY16 was distributed to and read by Trustees. The information in this summary was provided by Housing Division staff to CPC staff for submittal to the Commonwealth of Massachusetts.

- Closing Cost Assistance Request

A letter of request from Somerville resident S. A. for Closing Cost Assistance from the Trust was reviewed. This applicant’s income falls outside the Trust’s guidelines. Also, her formal request is dated and was received after her closing, while Trust guidelines require both application and approval to come before execution of a purchase and sale agreement. It was also noted an informal request was made one week and a day prior to the closing and that the assistance check, which takes at least two weeks to generate, must be in hand at the closing, which is standard HUD practice.

A **motion** was introduced by Danny to honor existing Trust guidelines and decline this request, with a referral to other programs such as SCC’s financial counseling. Donna seconded the motion which PASSED 5-0.

2. *Follow-up from August Meeting*

- Waterworks updated pro forma was reviewed.
- Set meeting date[s] for discussions.

It was noted that three trustees would be unavailable on the scheduled meeting date of October 13, 2016, so other dates were considered. A meeting date of October 20th was proposed for either a 3:30pm or 6:30pm start time.

- Ongoing requests for gap between HUD's FMRE and actual rent/other program support – Detailed discussion of this item was postponed at least until next meeting. It was requested that staff prepare information for discussion of the gap between HUD's FMRs and actual rent for the next Trust meeting.

Staff suggested that information from organizations including Wayside, Heading Home and the Somerville Homeless Coalition could inform the discussion. Programs including Wayside ShortStop, Heading Home Better Homes 3, and the Somerville Homeless Coalition either have requested gap financing or are reallocating program funding due to this disparity.

It has been noted that Section 8-assisted tenants cannot find apartments in Somerville at or below FMR levels. There was discussion of how many Section 8 vouchers get returned to SHA due inability of tenants to find apartments within HUD FMR's. Beth Monroe-Howe indicated she would follow up with SHA staff on this item.

It was noted that these issues may warrant discussion at a community forum-level, regarding what agencies with McKinney, MBHP, SHA and/or other PHA-issued Section 8 vouchers do.

- Discussion of funding allocations, including 35% for non-development. This topic that had been requested by Trustees to be scheduled for discussion at a future Trust was tabled until further clarity about the Trust's allowed funding uses is established.

- Trust account audit

In April, 2016, Trustees requested a cost estimate for an audit going back 1, 2, and 3 years. So far, Housing Staff have received information from the City finance department that such an audit might cost between \$25,000 and \$40,000. Staff has followed up to City finance seeking more specific estimates.

- Vacant Trust Position Update

A nomination for new proposed Trustee Martin Polignone will be considered by the Board of Alderman at their next meeting and if approved, will be forwarded to the Mayor for final appointment decision.

3. *Announcements:*

Mary mentioned an upcoming forum on addiction recovery and she will forward information. The next Trust meeting date will be October 20, 2016.

The meeting adjourned at 10:15am with a motion from Danny and a second from Donna.

Documents Reviewed:

- Draft July 2016 Minutes
- CPA Trust changes summary 2016
- Massachusetts Housing Partnership 9/16/16 training: powerpoint presentations
- Waterworks pro forma
- Closing Cost Program request letter – S.A.
- Summary of SAHTF projects funded with Community Preservation Act funds in 2016 that was submitted to the State (Summary of CP-3 Report)
- February-May 2016 Trust financial account statements