

CITY OF SOMERVILLE, MASSACHUSETTS
SOMERVILLE AFFORDABLE HOUSING TRUST FUND

KATJANA BALLANTYNE

MAYOR

Andrea Shapiro, Managing Trustee

Trustees

Brielle Calderan
Mary Cassesso
Michael Feloney
Kathryn Gallant
David Gibbs
Donna Haynes
Councilor Charlotte Kelly
Jessica Turner

Minutes

Thursday, October 20, 2022 Meeting – 4:00 pm

Trustees attending: Brielle Calderan, Mike Feloney, Katie Gallant, David Gibbs, Donna Haynes, Andrea Shapiro, Jessica Turner

Trustees not attending: Mary Cassesso, Charlotte Kelly

Officials & staff attending: Mayor Katjana Ballantyne, Lisa Davidson, Paul Goldstein, Alexis Turgeon, Morena Zelaya (OSPCD- Housing Division) Ellen Shachter (OSPCD-Office of Housing Stability)

Consultants & members of the public attending: Jenn Goldson (JM Goldson); Molly Kaviar, Carl Nagy-Koechlin, Noah Sawyer (Just-A-Start); Cory Mian (Preservation of Affordable Housing)

The meeting started at 4:00 pm, with Andrea Shapiro serving in the role of chairperson.

1. *Review and Approval of September 8th and September 22nd, 2022 Meeting Minutes*

Mike Feloney suggested that two points of revision be made to the discussion of Just-A-Start (JAS)'s funding request for 24 Webster Ave. in the September 22nd minutes. to include information mentioned on the number of very low-income units and to clarify projected schedule. Trustees agreed to table action on the September 22nd minutes until the November meeting when a revised version would be available. Katie Gallant made a **motion** to approve the September 8th meeting minutes. Donna Haynes seconded the motion and the motion **passed** unanimously by roll call vote.

2. *New Business*

Municipal Voucher Program-Introduction, program concept overview, and preliminary funding request. Paul introduced Mayor Katjana Ballantyne and Ellen Shachter, director of the Office of Housing Stability, who attended respectively to introduce OHS's request for support of a Municipal Voucher Program (MVP) and to present the program's purpose and design. Mayor Ballantyne described MVP as an innovative concept to develop a local rental voucher subsidy program, and is possible through funds available under the American Rescue Plan Act (ARPA). The program has been designed to serve a population that is particularly vulnerable to displacement from Somerville, by making assistance available to households who are ineligible for other sources of assistance due to their immigration status.

Mayor Ballantyne went on to note that with ARPA funds available for a discrete number of years, funding commitments beyond that period are essential if launching the program is to be worthwhile. Toward that end, the City is prepared to commit local resources beyond the term of ARPA funds if the Trust can commit a portion of its local funding to support the program. The Mayor concluded by

thanking Trustees for their time in considering this opportunity to serve this especially vulnerable population. The Mayor left the meeting following her introduction of the MVP.

OHS Director Ellen Shachter introduced Housing Policy Coordinator Morena Zelaya, who assisted in preparing information provided to Trustees prior to the meeting. In introducing Morena, Ellen noted that they did not expect a commitment from the Trust at this first presentation on the proposed program. The goal was rather to introduce the program in anticipation of making a funding request at next months' meeting. Ellen and Morena proceeded to provide additional details about the MVP, including how the program would work, the target population, and the needed funding.

Ellen noted that local providers in Somerville have been working with numerous immigrant families using special COVID relief funding; with that funding nearing its end, however, these families are at high risk of being displaced and or becoming homeless. MVP is designed to provide assistance to these households. Specifically, the target population would be those families at risk of homelessness or being displaced from Somerville, who have children in the Somerville school system, and who are ineligible for other types of housing assistance.

MVP would be administered by a partner agency to be selected through competitive procurement. Case management services would be part of the program. Trustee questions and responses from Ellen and City staff included the following, with questions in italics followed by response information.

- *Will there be specific eligibility requirements such as an asset limit for these vouchers?* The preference for MVP is for a working group to be convened to help develop program parameters and criteria, such as an asset limit, prior to launch. The MVP would be a City program, and would not be subject to federal and state requirements for similar programs. The MVP would serve households earning up to 80% AMI, but a majority of the vouchers would be for households earning less than 50% AMI.
- *What level of subsidy is needed from the Trust for the MVP to be successful?* The amount of projected funding needed each year, beginning in calendar year 2025, was noted in a chart which served as an attachment to the memo circulated to Trustees prior to the meeting. The document notes that starting in 2025, half of program would be funded by the Trust, with the other half provided by the City. The anticipated request for Trust funding totals approximately \$1.8 million, and would fund the MVP for 3 years, calendar years 2025-2027. The request is based in part on projected revenue the Trust is expected to receive through linkage payments and other sources through fiscal year 2028.
- *From the perspective of local providers, there is a drastic need for this type of assistance. However, there is concern about the long-term feasibility of funding a program of this nature, especially since at some point linkage revenue will not be as robust. It would be helpful to see how comparable programs address long-term viability.* Other comparative examples will be researched ahead of the November meeting.
- *Will there be any contingencies attached to the vouchers, such as employment status or other requirements?* Case management, including assistance with job placement, would be part of the program. Households without work authorization in the US would be a target population for MVP; the program is to be designed to help households overcome that obstacle.
- *Why is CORI screening included in the ARPA proposal criteria for program participation?* Many existing voucher programs use CORI as part of their applicant screening, and MVP would like to be as similar to existing programs as possible to ease the administrative duties of the partnership agency. The program will have a committee which will determine eligibility and priority of program applicants. The goal is to have as few barriers to eligibility as possible, and only those with a history of violent crimes would be found ineligible. The specifics of program eligibility will be discussed more as the program prepares to launch.
- *Will MVP work with participants to help them transition out of the program?* The program would offer assistance to families to help them overcome barriers from receiving other types

of aid. If and/or when a household is able to access types of assistance they had been previously ineligible for, their MVP voucher could be used for another household in need.

Additionally, Trustees noted that the MVP is consistent with feedback received by the JM Goldson team during interviews with Trustees during the Strategic Planning process: The need for new and innovative programs, and the need to serve low to very low-income households at risk of homelessness and/or displacement from Somerville.

Ellen thanked the Trustees for their time and she and Morena left the meeting.

3. *Continued Business*

Revised draft Strategic Plan review. Jenn Goldson, of JM Goldson proceeded to present the revised portions of the draft Strategic Plan which was first shared with Trustees in September. Revisions were made based on feedback from Trustees provided at the September 8th meeting, and based on results from an additional survey which was circulated to Trustees following that meeting. Jenn noted that initial feedback provided by staff and Trustees prior to the September 8th meeting was not yet incorporated into this draft, but that all feedback and suggested edits would be included in the final draft Strategic Plan during a comprehensive revision.

Jenn noted that the “Goals and Guidelines” portion of the draft plan was moved to Chapter 1, and was given additional headings and condensed to make the section more readable. Jenn explained that the Goals were loosely ordered by importance based on the feedback Trustees had provided. Jenn further noted that the Guidelines section kept the same percentages of funding allocations to various Trust activities as the 2014 Strategic Plan, and that she would welcome further Trustee feedback on this portion of the draft plan. The percentages are not intended to be binding but are target allocations.

Trustee comments on the draft plan included the following:

- In regard to Goals 10 and 11, the Housing Division has added staff over the last several years due to the increase of demand and production of affordable units through the Inclusionary Housing Program and the increase in Trust revenue. In order to meet these goals, the Trust should be prepared to have a discussion to propose further funding additional Trust staff.
- Aspects of Goal 10 (improving onboarding for Trustees and providing materials in a timely matter to Trustees) while important may not necessarily be a long-term goal of the Trust as the need to improve these areas are more immediate. This was also noted for Goal 11- formalize and systemize the process for application materials; if these processes are due to be updated, it may make sense to remove and/or revise this goal if it does not become outdated.
- 110% AMI, noted in Goal 4, is higher than the preferred income tiers the Trust would like to serve. It was explained that the 110% AMI income limit is pulled straight from the Trust’s governing documents, and that changing those documents was a different conversation to have outside the parameters of Strategic Planning.

(At approximately 5:00 PM, the meeting was interrupted due to technical difficulties. Trustees were able to rejoin the meeting shortly after 5:15 PM. In the interest of time, the next agenda item was discussed, while Jenn Goldson attempted to log back into the meeting. Jenn was able to rejoin the meeting after 5:30 PM, but noted she had a prior commitment and would have to leave the meeting. Jenn asked that Trustees provide any comments on the newest draft Strategic Plan to Paul by October 31st, and that a revised draft would be circulated to Trustees by November 4th.)

24 Webster Ave, Just-A-Start (JAS) housing development funding request. Noah Sawyer, Real Estate Director at JAS, provided a brief update on the proposed development of 24 Webster Ave, which was introduced to Trustees at the September 22nd meeting. Noah noted design revisions to the project, and explained the financial challenges the project was facing, including increased federal interest rates, which have led JAS to requesting an additional \$400,000 from the Trust, bringing the total request to \$5,000,000. Noah also shared the other avenues JAS was pursuing to reduce cost

escalations, including reducing various soft costs and pursuing a waiver of the City's building permit fee.

Andrea Shapiro noted it would be difficult to vote on the funding request as presented, since the Trust does not have control over the other City funds that JAS intends to pursue. Andrea asked staff to provide additional information on those funding sources. Mike Feloney asked for clarification on the funding application JAS submitted, which did not distinguish "City" funds from Trust funds. Noah noted that based on previous conversations with City staff, that there had been some uncertainty as to the availability of City funds, and for that reason the entire \$5,000,000 ask would be to the Trust until those funding sources are identified and confirmed to be available. Noah further noted that JAS anticipated to apply to the City for HOME and other funds as soon as they are able.

Mike noted the potential building permit fee waiver was not included in the sources and uses section of the JAS funding application. Mike further noted that he hoped that the pursuit of other City funds, including additional Community Preservation Act historic preservation funding, could potentially reduce the Trust's commitment significantly, and that he would support a motion similar to the motion passed at the September 22nd meeting; that the Trust approves committing up to the requested amount contingent of the pursuit of other City funding sources.

Andrea asked if the application JAS is preparing to submit to the Department of Housing and Community Development (DHCD) would be accepted if it contained the original amount requested, \$4.6 million. Noah responded that JAS would have to find other funding sources to fill in the gap before submitting the application, but having the full local commitment would be the preferable path forward. Andrea noted that she was in favor of getting more clarity on available City funding before the Trust voted to approve the full \$5 million request.

Lisa Davidson provided information about available HOME funds, noting that the Waterworks Phase II project received a significant commitment of HOME funds, which would affect availability for other commitments such as 24 Webster Ave. Mike followed up to Lisa's comment, noting that the Waterworks Phase II project had planned to approach the Trust for additional funding, but instead pursued HOME funds. Mike further noted he would be comfortable conditionally supporting the full JAS request for \$5 million, and that even with the increase the per unit subsidy for the project is still consistent with other Trust funded projects.

Noah noted that the JAS would include an anticipated building permit waiver on their submission to DHCD, and believed that would be sufficient for their application. However, if that anticipated funding source is not acceptable to DHCD, JAS would have to reapproach the Trust for an increased commitment. Noah thanked the Trustees for their time and left the meeting.

4. *Other New Business*

Clarendon Hill-Preservation of Affordable Housing (POAH) supplemental funding request.

Paul introduced Cory Mian, Senior Vice President of Real Estate Development at POAH. Cory provided a brief overview of the Clarendon Hill redevelopment, including reviewing the memo circulated to Trustees prior to the meeting which described the need for an additional \$2 million commitment from the Trust to close the funding gap the project is currently facing.

Donna asked about the specific reasons for the cost increase. Cory noted that hard costs have increased by about \$6 million dollars, and that increased interest rates had also driven up total development costs.

Mike made a **motion** to provide an additional \$2 million in non-CPA Trust funds to project, based on the memo and information provided by POAH. Donna seconded the motion, and the motion **passed** unanimously by roll call vote, with David Gibbs, Jess Turner, and Katie Gallant recusing themselves.

5. *Standing Business*

Financial report(s) review: CPA account and non-CPA account (September, 2022). Paul provided a brief overview of the financial reports, noting that the Early Action Acquisition fund balance is now included on the non-CPA financial report. Donna made a **motion** to accept the financial reports. Jess seconded the motion, and the motion **passed** unanimously by roll call vote.

Selected project updates. Paul noted that the application period for the five affordable home ownership units at 7 Summer St. is still underway, and that a final info session would be held on October 26th. Applications will be accepted until November 8th.

On SCC's acquisition of 184 Broadway, Paul noted that SCC has successfully closed on the acquisition of the property, and that a ribbon cutting ceremony is scheduled for November 1st.

Home Rule Petition and Board Reappointments. There were no updates to Board Reappointments to provide. On the Home Rule Petition (HRP), Paul noted that Hannah Carrillo, the Mayor's Legislative Liaison, had informed him that state representative Christine Barber was working on getting the HRP passed in a current or upcoming informal session of the state legislature. Further updates would be provided as they become available.

6. *Communications*

Paul noted that the SCC event at the Evicted exhibit, which had been schedule for this evening, would now be taking place on October 27th at the Somerville Armory.

7. *Announcements*

8. *Adjournment*

The meeting was adjourned at 5:56 PM.

Documents distributed:

- Draft September 8th and September 22nd meeting minutes
- Memo and exhibits from OSPCD staff on proposed Municipal Voucher Program and funding request
- Revised draft Strategic Plan
- Memo and exhibits from JAS for 24 Webster Ave. updated funding request
- Memo from POAH detailing need for supplemental funding for the Clarendon Hill redevelopment
- Financial report(s)-CPA and non-CPA September, 2022