

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, December 8, 2022 Meeting – 5:15 pm

Trustees attending: Brielle Calderan, Mary Cassesso, Mike Feloney, Katie Gallant, Charlotte Kelly, Andrea Shapiro, Jessica Turner

Trustees not attending: David Gibbs, Donna Haynes

Staff attending: Lisa Davidson, Paul Goldstein, (OSPCD- Housing Division)

The meeting started at 5:15 pm, with Katie Gallant serving in the role of chairperson.

1. Review and Approval of November 10th, 2022 Meeting Minutes

The Managing Trustee asked if members had comments or correction to offer on the draft minutes. Issues noted for clarification and/or correction included:

- Two grammatical errors
- Clarification regarding the motion for the Municipal Voucher Program (MVP). Charlotte Kelly noted her recollection that she initially had made a motion to move to deliberate on MVP, rather to vote on approving funding for MVP. Paul Goldstein noted he had watched the meeting video in preparing minutes, and could confirm that Charlotte had first made a motion to deliberate, which other Trustees interpreted as a motion to approve funding MVP, and that necessitated a second motion be made. Paul further clarified he referenced only the motion to approve MVP in the interest of brevity, and that he would revise the minutes to reflect two motions being made.

Mary Cassesso made a **motion** to approve the November minutes, contingent on Paul making the specified revisions. Mike Feloney seconded the motion and the motion **passed** unanimously by roll call vote.

2. New Business

Draft Fiscal Year 2018 and 2019 Report-review and Trustee questions/comments. Paul gave a brief overview of the draft Fiscal Year 2018 and 2019 Report transmitted to Trustees in advance of the December meeting. The report contains a transmittal letter to the City Council signed by the Managing Trustee, information on Trust activity during the 2018 and 2019 fiscal years, highlights from the most recent fiscal years, and the financial review of FY18 and FY19 conducted by external accounting firm Powers & Sullivan. Paul noted that the financial reviews must be carried out sequentially, meaning fiscal year reports cannot start with the most recent fiscal year and move backwards.

Paul further noted that a goal over the next several months is to continue catching up with fiscal year reports to a point where they are being produced annually and cover the most recent fiscal years. Paul explained that he will be working with OSPCD Administration and Finance staff to initiate a financial review of FY20 and FY21 with the outside accounting firm under contract sometime next month.

In terms of next steps, final version of the report will incorporate Trustee feedback and suggested revisions. Paul asked that any comments Trustees have be shared with him via email by 7:00 PM on December 15th. Once the final draft is complete, the report will be forwarded to the City Council as required by the Trust's governing documents.

Trustees noted that it will be beneficial to be fully caught up fiscal years report, and were in favor of the weeklong timeframe to provide any comments for the draft report.

3. *Continued Business*

24 Webster Ave.-proposed loan terms. Paul explained that in order for a commitment letter to be drafted and executed, loan terms for the \$4.6 million commitment to Just-A-Start's (JAS) 24 Webster Ave. project need to be approved by the Trust. JAS is seeking terms of 0% over 50 years. Paul recommended that the Trust approve terms consistent with the guidelines established in the 2014 Strategic Planning document, and are consistent with other past projects-2% over 40 years, with annual cash flow payback.

Paul noted his understanding that for future funding requests, the Trust should be providing terms to applicants, rather than applicants proposing preferred terms to the Trust. Paul suggested that the Trust's preferred terms are clearly noted on any funding application, and that applicants can make a case for changes to those terms for the Trust to consider. Paul further noted that this also is a potential item for JM Goldson to consider in their continued work to develop criteria for funding applications to the Trust.

Paul also provided a brief update on the project, noting that JAS has been invited by DHCD to submit a full funding application in mid-January.

Andrea noted that she appreciated Paul bringing up standard loan terms, and also appreciated JAS seeking the most favorable loan terms possible. Andrea agreed with the recommendation to approve the Trust's standard loan terms for the project, as they are quite reasonable based on current market conditions. Andrea suggested that the Trust consider adjusting its standard loan terms based on market conditions. Mary expressed agreement and noted that it will be important to strike a balance between having interest rates comparable to current conditions and providing favorable terms to the Trust's partners.

Paul noted that following a motion on approving loan terms for the 24 Webster Ave. project he would reach out to JAS to let them know what terms have been approved, and that he would move forward with drafting a commitment letter for the project. Andrea made a **motion** to approve the terms recommended by Paul, 2% simple interest rate over a 40-year term. Mike seconded the motion and the motion **passed** unanimously by roll call vote.

4. *Standing Business*

Financial report(s) review: CPA account and non-CPA account (November, 2022). Paul noted that the CPA report did not have any activity to highlight. For the non-CPA report, Paul pointed out that a linkage payment was received, and that the Trust's commitment to MVP is now being carried as an outstanding commitment over 3 calendar years. Paul also noted he made a change to display what is available for new commitment to include the total with the Early Action Acquisition Fund, and the total without it.

Mary made a **motion** to accept the financial reports. Charlotte seconded the motion and the motion **passed** unanimously by roll call vote.

Strategic Planning. Paul noted that he had confirmed with Jenn Goldson of JM Goldson that she and her team are available to provide an additional round of revisions to the draft Strategic Plan based on Trustee feedback, and develop criteria used to evaluate funding requests to the Trust. Jenn provided a quote to Paul of \$3,700 for those services, which is inclusive of attending an additional meeting with the Trust. Paul added that Jenn had asked that further comments on the draft plan be provided no later than January 2nd; Trustees should send comments to his attention via email, for forwarding by the deadline.

Paul also shared that Jenn is unavailable to attend the Trust's January 12th meeting, meaning that an additional meeting with her and Trustees would have to either take place at the February 9th meeting, or the January meeting would have to be rescheduled based on Jenn's availability. Trustees asked Paul to follow up with Jenn about her availability for the February 9th Trust meeting, and to poll Trustee's on their availability to meet on a different date based on Jenn's availability.

Selected project updates (7 Summer St., Clarendon Hill). On 7 Summer St., Paul noted that the project received 151 applications for the 5 affordable home ownership units at the property. A lottery took place the week of Thanksgiving, and the top 5 applicants for each unit are scheduled for walk throughs this week. Those interested in purchasing the units, in order of lottery selection, will complete an income certification to determine eligibility and pursue a mortgage.

On Clarendon Hill, Paul noted that the project continues to move towards a late December construction closing, and that he and other City staff have been participating on weekly closing calls for the last several weeks and would continue to do so up until the closing. Jess Turner noted that there is currently one building which is completely unoccupied, and that there are two residents who still need to be relocated.

Other selected updates (Home Rule Petition, Board reappointments). Paul shared that he reached out directly to Representative Christine Barber's office and the Mayor's office for an update on the HRP, and that he reiterated how important the HRP is to the Trust. Trustees asked how many years the HRP has been awaiting a vote at the state level. Paul noted he would double check, but he believed that the HRP was brought to the State House sometime in 2019.

There were no updates to share regarding board reappointments.

5. *Adjournment*

The meeting was adjourned at 5:52 PM.

Documents distributed:

- Draft November 10th meeting minutes
- Draft FY18-19 Report
- Financial report(s)-CPA and non-CPA November, 2022