

**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

**Minutes**

**Thursday, January 12, 2023 Meeting – 5:15 pm**

Trustees attending: Brielle Calderan, Mary Cassesso, Mike Feloney, Katie Gallant, David Gibbs, Donna Haynes, Charlotte Kelly, Andrea Shapiro

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

Members of the public attending: Roberta Cameron (OSPCD-staff to the Community Preservation Committee)

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

*1. Meeting ground rules and operations.*

Paul Goldstein noted that the first agenda item was added at the request of the Managing Trustee, who wished to discuss with Trustees how meetings are conducted.

Andrea Shapiro began by conveying she has been trying to facilitate the monthly Trust meetings in a way that ensures everyone has a chance to be heard, and the easiest way to do that in her view was to ask each Trustee for any questions or comments until Trustees were finished providing feedback. Andrea explained that she wanted to check in with the Board on how that approach was working for others, and provide an opportunity for Trustees to share other practices they are familiar with for having an effective meeting. Andrea noted that she finds the virtual meeting format difficult, and that perhaps those presenting to the Trust feel like they are being “interrogated”.

Trustees noted that they did not feel the Trust was intimidating to presenters, and suggested the “raised hand” function of Zoom to be used when a Board member has a question or comment. Trustees shared their experience on other public boards or commissions; at least one board (the Appointments Advisory Committee) functions similarly to the Trust, where questions are solicited from each Board member in turn. Another example shared was City Council meetings, where a Councilor will write “Question” in the chat box, and the Chair notes the request and keeps track of the order in which questions are asked.

Trustees emphasized the importance of having those making requests to the Trust be explicitly clear what their ask is, and what their expectations are for action by the Board. Mike Feloney noted that Trust staff make an effort in advance of presentations to confirm if the requester is seeking a decision at the meeting. Mike further noted on some occasions when staff is approached for a “last minute” request and staff responds that they can’t guarantee a spot on the agenda, requesters may contact the Mayor’s office or individual Trustees to push for inclusion. On the time limits now posted on meeting

agendas, Mike noted that these were a recent addition. Mike suggested it may be worth having a discussion on what the expectations are for the duration for the meetings, and it was his understanding that the estimated times were meant to guide the meeting rather than serve as strict limits. Mike shared that he and Paul have received feedback from presenters to the Trust that they would have benefited with more time to make their presentation.

Andrea agreed that there should be further discussion on what time limits are for presenters. Andrea noted the importance of reading materials circulated in connection with funding requests ahead of time, and also emphasized the importance of the continued work with JM Goldson to develop straightforward applications/criteria for evaluation.

Katie Gallant asked about the possibility of having an additional “special meeting” to accommodate a larger presentation, and that Trustees could review materials and transmit questions/comments to Paul, who would share them with the requester so that answers could be prepared ahead of the scheduled meeting. Paul noted that special meetings have been held by the Trust in the past, and that the approach for Trustees to provide questions/comments in advance of the meeting is one that has been used effectively, notably for the funding request for 7 Summer St. by the Somerville Community Land Trust.

Brielle Calderan noted that as applications for new and different developments/programs are received, the Trust should be cognizant that more time and questions may be needed to fully evaluate the request. Brielle referenced the Municipal Voucher Program as a recent example.

David Gibbs noted he is in favor for spending as much time as needed in order to properly evaluate and make a decision on requests to the Trust. David further noted that City Council meetings also take place Thursday evening, and suggested adjusting the time when the monthly Trust meetings take place to allow more flexibility with spending additional time on certain agenda items. Trustees agreed with this suggestion, noting that while time estimates are important as a guide, they are not always sufficient, and that newer members of the Trust would benefit from additional time to ask questions during presentations.

Andrea asked that Paul create a poll for Trustees to note their preferred time to begin a meeting earlier than the 5:15 PM start time which is currently being used.

2. *Meeting minutes review and approval.*

Donna Haynes made a **motion** to accept the December 8<sup>th</sup>, 2022 meeting minutes as written. David seconded the motion and the motion **passed** unanimously by roll-call vote.

3. *New Business*

**Early Action Acquisition Fund-overview and draft guidelines.** Paul explained that over the last few months he has conducted research on how other communities and agencies carry out acquisition lending. This research was done as part of his effort to draft guidelines for the Trust’s Early Action Acquisition Fund (the Fund). Paul reminded Trustees that approximately \$8.3 million dollars previously set aside for the Greenline extension was re-allocated to the Trust by the City Council for acquisition lending.

Paul noted that the Guidelines which were circulated prior to the meeting represented what he saw as best practices for guidelines on how the Fund will be accessed and dispersed. Paul further noted that the Guidelines are in draft form, and that ultimately a motion would be needed to approve the Guidelines once they are finalized. Paul clarified that there was not an expectation that the draft Guidelines would be voted on at that evening’s meeting. Paul also noted that the Guidelines should be acted on “sooner rather than later” so that any requests made for use of the Fund can be considered in a timely manner.

Paul proceeded to review the draft Guidelines for the Fund, noting eligible uses of the Fund, the preference for the Fund to be a revolving fund with loans being paid back in full at the end of the term, and the proposed loan terms and other conditions for use of the Fund. Paul highlighted the option of converting the acquisition loan to permanent financing, and including carrying costs as part of the loan as areas which warranted additional discussion and feedback.

Following Paul's overview, Trustees offered initial feedback, questions, and comments on the Guidelines for the Fund. David noted that he would like the Trust to be as explicit as possible regarding the ability to convert the acquisition loan to permanent subsidy. Mary Cassesso had a couple of concerns, noting that \$8.3 million was not a lot of money for acquisitions in Somerville, and questioned whether for profit developers should be able to access the Fund.

Mike first acknowledged David's comment as a valid point, and then shared his concern that if conditions for converting the Fund to permanent subsidy are explicitly clear, that could incentivize applicants to tailor their application in a way that guarantees that result. Not being as specific would allow the Trust more flexibility to decide about converting Funds to permanent subsidy at its discretion. Mike and Paul both noted that other all-affordable developments by for profit firms have been funded by the Trust, notably the 31 Tufts St. project. Mike shared that at the groundbreaking ceremony for 31 Tufts St., another lender to the project noted the positive effect of E3 being a women owned firm, and that it was no accident they in turn hired women owned consultants and contractors for the project.

Katie asked about the proposed terms for the Fund, and if the Trust could cap how much could be obligated for each project. Paul noted that would be up to the Trust to decide, and there is nothing prohibiting that approach. Paul further noted that while the Guidelines as drafted allowed for the Trust to provide up to 100% of the loan to value ratio for an acquisition, they also specified that projects which leveraged additional sources of funding for acquisition would be prioritized.

Andrea noted the need for more time to review the draft guidelines, and asked Trustees to provide additional feedback, including feedback on the conditions for converting the acquisition loan to permanent financing (location, population served, etc.), to Paul before next month's meeting, when further discussions and potential action on the Guidelines will take place.

**Annual Meeting preparation-review of Trust officer positions and related information.** Paul reminded Trustees of the requirements in the Trust's Governing Documents which call for the Trust to hold an Annual meeting each year in September to elect officers. Paul briefly reviewed selected outcomes of the most recent Annual Meeting, which took place in February, 2022. At that meeting, Andrea was elected to serve in the role of Managing Trustee, Katie in the role of Assistant Managing Trustee, and Jess Turner in the role of Treasurer. Paul noted that if the Trust were to hold the Annual Meeting in February this year, a motion would have to be voted on to approve that decision. Paul asked that Trustees who were interested in continuing to serve or to be newly considered for an officer role to express their interest to him via email by January 31<sup>st</sup>.

Paul shared with Trustees that Jess Turner has transmitted a letter of resignation from her seat on the board earlier in the week, effective January 10<sup>th</sup>. With Jess' decision to resign her seat, the Treasurer office position now has no incumbent.

Mary noted that during previous discussions on Trust officer positions, that despite four roles being identified in the Governing Documents, that only two positions were actually practical in the Board's current state (Managing and Assistant Managing Trustee). Mary suggested that the Annual Meeting may be a good time to continue discussion on officer roles, and suggested revisiting the possibility of revising the Governing Documents to reflect how the Trust currently operates.

Mary made a **motion** to hold the Annual Meeting on February 9<sup>th</sup>, during the Trust's regularly scheduled monthly meeting. Donna seconded the motion, and the motion **passed** unanimously by a roll call vote.

4. *Standing Business*

**Financial report(s) review: CPA account and non-CPA account (December, 2022).** Paul noted that other than loan repayments and bank interest, there was no activity of note to highlight in the non-CPA account. For the CPA account, there was also no activity to highlight. Paul pointed out that when preparing the financial reports for December, it came to his attention that there were several expenses in the CPA account which were double counted in the November report. Paul noted that this has been corrected, and double checked for accuracy and is reflected as such in the December report. Going forward, to avoid this issue, Paul explained only expenses where a physical check has been cut will be reflected on the reports.

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

**Strategic Planning.** Paul shared that based on the results of a poll he circulated prior to tonight's meeting for Trustee availability, the best date for an additional Trust meeting in February to discuss Strategic Planning would be February 2<sup>nd</sup> at 5:15 PM. Paul noted that Jenn Goldson had asked if there were any further comments to the most recent draft Strategic Plan that they be transmitted to her by January 23<sup>rd</sup>. Andrea asked that Paul transmit any materials for the February 2<sup>nd</sup> meeting to Trustees by January 30<sup>th</sup>. Paul noted he would be following up with a calendar invite for the February 2<sup>nd</sup> meeting.

**Selected project updates (Clarendon Hill).** Paul shared that all current tenants have been relocated from the site, and that the project team is hoping to close in January, pending some final due diligence items to resolve.

**Other selected updates (Home Rule Petition, Board reappointments).** Paul shared that Representative Christine Barber provided an update to him via email in December on the Home Rule Petition (HRP). Rep. Barber noted that the HRP was still in the Committee on Bills in Third Reading in the House, and that she was hoping to get the HRP passed by the time the session ended on January 3<sup>rd</sup>. The HRP did not end up being passed in that legislative session.

Paul did share an additional update on the HRP, noting that earlier in the day he was contacted by the Mayor's Director Intergovernmental Affairs who communicated to Paul that there had been significant progress made on the HRP through Rep. Barber's office, and that they hope to have the HRP passed in the current legislative session. The City Council will have to re-submit the HRP to the Legislature so that it will still be considered current and eligible for a vote. As part of that process, Paul noted he will be attending the City Council's Legislative Matters committee meeting to provide a brief overview of the importance of the HRP to the Trust, and what its passage would mean for renewed funding of various supportive services programs.

On board reappointments, there were not updates to share, other than staff hopes that the current vacancy on the board as a result of Jess Turner's resignation would be a point of emphasis to the Mayor's office to move forward with Trustee re-appointments.

5. *Communications*

Mike called attention to the Affordable Housing Pipeline dashboard summary document which was circulated prior to the meeting. Mike noted he thought it would be useful to share the document the Mayor's office has requested from the Housing Division to be provided monthly, which displays the total number of affordable housing units in the production pipeline. Mike further noted he felt the document was important to demonstrate the amount of projects not related to the Trust that Housing Division staff are involved in.

Trustees appreciated seeing the robust pipeline of affordable units, and acknowledged that compared to other communities, Somerville was doing lots of work to add to its affordable housing inventory. Trustees noted that a document which provided information on existing affordable units would be a helpful resource for the Trust. Paul shared that he has done some work on, and would continue to work on a document which contained information on existing affordable units. Mike noted he can share the Subsidized Housing Inventory at next months' meeting, though the format of that document was not ideal.

Trustees also emphasized the importance and desire to receive materials for review in a timely matter, and expressed an interest in exploring ways to fund additional staff so that the Trust would be able to meet its preferred timelines for review and preparation of meeting materials. Further conversation about setting aside additional Trust funds for staff, and possibly advocating for additional funding during the City's budgetary process will need to take place before any decisions are made.

Paul noted that once the notice for the open seat on the Trust was finalized, he would circulate to Trustees for review, and also encouraged Trustees to distribute the notice once it is finalized to any potential applicants.

6. *Adjournment*

The meeting was adjourned at 6:44 PM.

**Documents distributed:**

- Draft December 8<sup>th</sup> meeting minutes
- Draft guidelines for the Early Action Acquisition Fund
- Annual meeting memorandum
- Financial report(s)-CPA and non-CPA December, 2022
- Affordable Housing Pipeline dashboard summary document