

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, March 9, 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)

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

1. February 2nd, 2023 Meeting minutes review and approval.

Andrea Shapiro asked about the status of the February 9th meeting minutes. Paul Goldstein noted that he has yet to draft the February 9th meeting minutes, but they would be ready for Trustee review and approval by the April meeting. Mary Cassesso made a **motion** to accept the February 2nd meeting minutes as written. Donna Haynes seconded the motion, and the motion **passed** unanimously by roll call vote.

2. New Business

Acceptance of allocation of City funding to the Trust for funding rehabilitation work at various SCC properties. Andrea acknowledged that some Trustees, including herself, were disappointed with the timing of materials being sent to Trustees, noting that materials connected with this agenda item were received the day of the meeting, and other meeting materials were circulated on Tuesday. David Gibbs noted that he understood that the memo sent in connection with the first agenda item could not be sent any earlier, as it seemed to be an emergency situation with little time to prepare materials for ahead of time. David acknowledged that he did not have time to review the materials regarding the second agenda item on Closing Cost Assistance (CCA), and suggested that agenda item be tabled until the April meeting. Other Trustees also noted that they also did not have time to review the CCA memo, and were in favor of tabling that discussion, as long as they would not be hampering the ability of a potential home buyer to access Trust assistance. Andrea noted that she would be in favor of having a special meeting if necessary to accommodate any CCA applicants prior to the April meeting.

Mike Feloney shared that the first agenda item was unfolding at the beginning of last week, and that staff did a good job of getting materials out as quickly as possible. The time sensitive nature of that situation effected review and revisions to the memo on CCA, leading to it be sent to Trustees later than planned. Mike suggested that, in order to avoid a special meeting, the Trust considers allocating

a limited amount funding for CCA at tonight's meeting to accommodate any applicants between now and the April meeting where CCA could be discussed further. Trustees were in favor of this approach, and agreed to discuss more when the CCA agenda item came up during this evening's meeting.

Paul noted that the first agenda item concerns an opportunity to help the Somerville Community Corporation (SCC) access City funds through the Trust. Paul shared that at the March 9th City Council meeting, Mayor Ballantyne would be requesting that the City Council approve the transfer of \$3.5 million from the City's COVID-19 Stabilization Fund to the Trust for the purpose of funding needed rehabilitation at various SCC properties. This would be an additional funding source being allocated to the Trust, and not part of any existing uncommitted Trust funds.

Paul provided further context, noting that SCC has been working with its insurance carrier at 657 Somerville Ave., a 100 Homes property, to address coverage for damages incurred at the property. At this point, in order to meet deadlines to avoid any risk of insurance proceeds being lost, SCC must have an executed agreement with a general contractor by March 15th, next Thursday. In order to enter into that agreement, SCC must be able to demonstrate a funding commitment for the scope of work at the property.

SCC submitted a request for ARPA funds, on Monday, February 27th, to finance rehab work on 657 Somerville Ave and two other SCC properties: 27 Everett Ave and 29 Jackson Road. The ARPA team, in an effort to balance demand for ARPA funds while also looking for a way to help SCC, identified unused funds in the City's COVID-19 Stabilization funds as a alternative source to ARPA funds. Prior to those funds being accessed, City Council and Trust action is needed at the March 9th Trust meeting.

Paul concluded by explaining that the Trust is being asked to vote on a motion at tonight's meeting to accept the transfer of \$3.5 million in City funds to the trust's non-CPA account, for the purposes of funding the necessary rehabilitation work at specific SCC properties, contingent on City Council approval of the transfer. The Trust is being asked to vote on this motion prior to Council approval because the Trust is not scheduled to meet again until April, well past the March 15th deadline for SCC to demonstrate a funding commitment.

Trustees asked for clarification about the nature of the request presented to them. Mike noted that the Trust is being asked to accept money for a specific purpose. The reason the money is being allocated to the Trust is that Housing staff is in a position to requisition the funds for contracts sooner than if the money had to come directly from the City. Trustees expressed interest in a presentation from SCC at a future Trust meeting for updates on various Trust funded SCC efforts, including the one the Trust will be voting on at the March 9th meeting, and the financial situation for the 100 Homes Initiative.

Donna made a **motion** for the Trust to accept the transfer of \$3.5 million in City funds to the Trust's non-CPA account, for the purposes of funding the necessary rehabilitation work at specific SCC properties, contingent on City Council approval of the transfer. Mary seconded the motion, and the motion **passed** unanimously by roll call vote.

Closing Cost Assistance (CCA)-program review and proposed allocation of funds. Paul gave a brief overview of the information contained in the memo he had prepared and circulated prior to the meeting. The memo recommended that the Trust allocate \$75,000 of non-CPA funds for CCA, the maximum amount of assistance per household for Trust CCA be raised from \$3,500 to \$5,000, and that certain criteria for the Trust's CCA program, which differ from criteria for the HOME funded CCA program, remain in place to allow for continued programmatic flexibility.

Trustees again noted that they did not have time to review the CCA memo prior to the meeting. Trustees also noted that it would be helpful for the memo to include a clear, visual description of the differences between the Trust's current CCA program, the Trust's CCA program inclusive of proposed staff recommendations, and the HOME funded CCA program. Andrea requested that Paul prepare a summary table which noted each of those items in advance of the April Trust meeting, and that the recommendations in the memo would be reviewed and voted on at that meeting. Trustees expressed support for Mike's suggestion that a small amount of funding be allocated for any potential CCA applicants between now and the April meeting.

Andrea made a **motion** to allocate \$10,500 of non-CPA Trust funds, enough for 3 applicants between the March and April meetings, for CCA assistance. Mary **seconded** the motion and the motion **passed** unanimously by roll call vote.

Katie Gallant left the meeting at 6:50 PM.

3. *Continued Business*

Trust Governing Documents-current Operating Procedures. Paul provided an update in response to questions Trustees had asked regarding the most up to date version of the Trust's Operating Procedures at the February 9th meeting. Paul noted that he has been referring to a document from 1992, while Trustees noted they had received an Operating Procedures document dated 1997. Paul shared that he conducted his own review of the Operating Procedures and connected with the City Clerk's office to confirm what the most recent version of the Operating Procedures is on file with the Clerk's office. The Declaration of Trust specifies that any updates to the Operating Procedures be filed with the Clerk's office.

After reviewing the Operating Procedures document from 1992, and the "updated" Operating Procedures document dated 1997, Paul confirmed there is no substantive difference between the two versions. The City Clerk's office conducted a search of its records and found no copies of the Operating Procedures, from either 1992 or 1997 on file. The Clerks office, at Paul's request, followed up with the City's Archive's division, and their search did not yield any results.

Paul suggested that with there being no version of the Operating Procedures on record with the Clerk's office, that he begin work on an updated version of the Operating Procedures document, which incorporates Trustee feedback and reflects how the Board currently functions. Once this document has been reviewed, and approved by the Trust, it will be filed with the City Clerk's office. Paul encouraged Trustees to send any feedback to his attention via email so that it may be considered as he works to revise the Operating Procedures document.

Andrea asked if the passage of the Home Rule Petition (HRP) would necessitate reverting back to older versions of the Trust's governing documents. Paul noted that he did not believe that was necessary, as the Trust's governing documents do not speak to the types of supportive service programs that the Trust would be able to fund following passage of the HRP.

Mike suggested that Paul create a summary table, similar to what he would be preparing for the Trust's CCA program, which noted the contents of each of the Trust's governing documents, and forward that along with copies of the Governing documents to the Trustees prior to the April meeting.

4. *Standing Business*

Financial report(s) review: CPA account and non-CPA account (February, 2023). Paul noted there was a transfer of expenses in both financial reports. Paul also shared that the Trust recently received approximately \$673,000 in linkage payments in March, which would be reflected on the March financial reports. David Gibbs made a **motion** to accept the financial reports. Mary **seconded** the motion and the motion **passed** unanimously by roll call vote.

Selected project updates (Clarendon Hill, Municipal Voucher Program). Paul shared that the Clarendon Hill project reached a successful construction closing in February, and that construction has begun on Phase 1 of the project.

On the Municipal Voucher Program (MVP), Paul shared that the Office of Housing Stability has issued a Request for Proposals for a partner agency to administer MVP. Proposals are due by March 20th. Paul also shared that at their meeting taking place later this evening (March 9th), the City Council would be voting on the approval of allocating a portion of the City's "free cash" to the Trust for the City's matching commitment to funding MVP. If approved by the Council, the Trust will have to vote on a motion to accept the funds at its next meeting in April.

Andrea asked if Paul would be participating in the evaluation of the received proposals, and noted the importance of having Trust staff being able to provide a voice in the evaluation process. Mike noted that his recollection of this item when it was discussed at the February 9th meeting was that Housing Policy Coordinator Morena Zelaya would be the primary Housing Division staff person participating in the review of proposals for administering MVP. Mike further noted that there should not be any issues with Paul serving on the evaluation committee. Paul noted that he would follow up with Office of Housing Stability staff about his participation on the evaluation committee.

Other selected updates (Home Rule Petition, Board vacancies). Paul did not have an update to share regarding the Home Rule Petition, and indicated that he would be following up with the Mayor's office for an update before the April Trust meeting.

On the open seat on the Trust, Paul noted that he circulated what he thought was a final version of the notice of the open seat last month. Paul shared that shortly after transmitting that document to Trustees, he received feedback from Communications staff, which necessitated further revisions to the document. Paul noted that he was informed that there is a two-week translation period before the notice can be posted and circulated. There is also a requirement for a 4-week application period for the open seat. These requirements from Communications were not included with guidance Paul had received from the Appointments Advisory Committee regarding posting the vacancy. Paul updated the status further by sharing that the notice has been translated, and it is in the process of being posted across the City's communications platforms. Paul indicated he would circulate the final version of the notice to Trustees to share within their network as soon as possible. The deadline for interested parties to submit materials for consideration is April 5th.

5. *Communications*

Paul shared the SCC would be hosting its Annual Meeting at the Somerville Armory from 6:00-8:00 PM on April 13th. The event is free to attend.

6. *Adjournment*

The meeting was adjourned at 6:17 PM.

Documents distributed:

- Draft February 2nd meeting minutes
- Financial report(s)-CPA and non-CPA February, 2023
- Closing Cost Assistance memo
- Memo re: Trust acceptance of City Funds for funding various SCC rehabilitation projects.