

**CITY OF SOMERVILLE, MASSACHUSETTS**  
**SOMERVILLE AFFORDABLE HOUSING TRUST FUND**  
*KATJANA BALLANTYNE*  
*MAYOR*

*Andrea Shapiro, Managing Trustee*

***Trustees***  
Brielle Calderan  
Mary Cassesso  
Diane Cohen  
Lisa Davidson  
Councilor Wilfred N. Mbah  
Cassie Walston

**Minutes**  
**Thursday April 10, 2025 Meeting – 5:15 pm**

Trustees attending: Brielle Calderan, Mary Cassesso, Diane Cohen, Lisa Davidson, Andrea Shapiro

Staff attending: Becca Brooker, Alexis Turgeon (OSPCD Housing Division)

Members of the public attending: Noah Sawyer, Molly Kaviar (Just-A-Start), Alba Solis, Laurie Calvert, CJ Horvath (Somerville Community Corporation)

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

*1. Meeting Minutes Review and Approval*

Mary Cassesso made a **motion** to approve the February 13, 2025 meeting minutes. Diane Cohen seconded the motion, and the motion **passed** unanimously by roll call vote, with Lisa Davidson abstaining since she did not attend the February 13, 2025 meeting.

*2. Finance Reports*

Andrea shared that the Trust is tabling finance reports until the next meeting, primarily because of challenges with transition and information needed to put the reports together. The Trust referenced financials from the February 13, 2025 meeting.

*3. Trustee Update*

Becca Brooker shared an update on Trustee interviews: three Trustee positions were either recently filled or are vacant.

Alba Solis, of Somerville Community Corporation, has been approved by the Mayor to serve in the Trustee seat reserved for a Somerville nonprofit organization. Alba joined tonight's meeting, but will not be able to vote until final onboarding and swearing in process.

Lisa Davidson has been approved as a temporary appointment to the Housing trust as the Mayor's Designee, following Mike Feloney's departure. As an ex-officio member, Lisa is able to vote in tonight's meeting.

The one remaining open seat is reserved for a professional in the banking or finance field. We have one application on file, and hoping to find any others that may have been sent to Paul's email. If we only have one application, then we will reopen the application process for this seat.

We'll address the Mayor's term limit and reappointment process for expired terms in Standing Business.

*4. New Business*

**Staff Update: Alexis Turgeon provided an update on 1323 Broadway net cash flow provision.** Alexis reminded the Trust that during the November 2024 Trust meeting, the Volunteers of America (VOA), who own 1323 Broadway

came before the Trust to ask that their cash flow calculation be put into reserves. During that meeting, Alexis noted that the calculation of the net cash flow did not follow the promissory note, due to lack of clarity around loan priority. There was a payment also due to CEDAC, and so at the time a recommendation was made to adjust loan terms to align with the new calculation formula we had used for that year. Staff was instructed to do a little more research to figure out the best path forward.

Alexis was able to pull additional documentation that allowed Staff to confirm the intended loan priority structure, as well as better understand the interaction of the payment between CEDAC and the VOA, therefore confirming that no changes to the loan terms are recommended.

Mary Cassesso asked a clarification question: *Is that different than the request of us? Or is that consistent with their request of us?* Alexis shared that the cash flow analysis that was conducted last year was not in alignment with the terms of the promissory note. At the time, we thought the CEDAC loan had priority, and therefore we needed to subtract their debt payment from the operating income, which would reduce the amount due to the Trust. However, because the Trust voted to put the payment back into reserves, and CEDAC did as well, the end product was the same.

**Funding request: Additional funding for Just-A-Start project at 24 Webster Avenue.** Becca introduced Molly Kaviar and Noah Sawyer from Just-A-Start (JAS), who were in attendance to present an additional funding request to the Trust to close the financing gap on their 24 Webster project.

Note: In March 2023, the Trust committed \$4,600,000.00 of non-CPA Trust funds to 24 Webster, to refinance JAS' acquisition loan, saving the Project ~\$300,000 in carrying costs from high interest rates.

The project team provided a brief outline of the submitted memo and project progress:

Molly Kaviar shared that there are no material changes in the scope or design of the project, and the unit mix is the same since March 2023. JAS is hoping to close on financing and start construction in Fall 2025. In order to close in Fall, JAS will address 24 Webster at MassHousing's June board meeting.

JAS initially requested an additional \$870,030 from the Trust. JAS stated that they are trying to fill the funding gap with multiple sources: additional HOME funds from the City of Somerville, a request into the State Office of Housing and Livable Communities (HLC), JAS is planning to defer an additional \$200,000 in developer fee, and JAS is working with contractor to value engineer design and reduce construction costs. Equity offers for Project tax credits came in lower than JAS expected, likely due to tax exempt bond availability at the time JAS was awarded the State credits for 2025. JAS has also seen some construction cost increases, due to inflation, as well as some minor refining of the design as the Project has gotten to permit set.

Noah Sawyer added that the additional \$870,030 originally requested would fill the entire remaining gap on this Project, however HLC intended to contribute additional funds. The Project team confirmed that with the additional HLC commitment, JAS would revise its Trust additional funding request to \$260,000.00.

JAS asked if the Trust would approve the larger amount (\$870,030) and JAS would use a smaller piece, or if the Trust would put together a smaller commitment (\$260,000), and JAS would come back to the Trust in the event HLC or other sources did not come through.

The Trust members agreed it would like to vote on a specific amount, and would want to look at this request in the context of what the Trust already invested in the Project, and what funds the Trust has available for other affordable projects. Discussion was opened up to other Trust members:

1. Lisa Davidson asked *what is the likelihood of JAS having to come back to the Trust for additional money?* Noah responded that given tax exempt bonds are a time-limited resource for 2025, Paul had instructed JAS to request the full amount needed to keep the Project moving forward, while also reaching out to other funding sources. Since submitting this additional funding application to the Trust, HLC responded that it would provide funds if JAS could show commitment letters from other sources, such as the Trust. JAS confirmed they feel comfortable requesting the smaller amount, \$260,000.00.
2. Lisa Davidson follow up question *is this an ask for Non-CPA or CPA funds, or does it matter?* Noah Sawyer mentioned that he didn't have a preference, but open to hearing more if there is a distinction of restrictions with each funding source. Molly Kaviar confirmed that there are historic CPA funds in the Project.

3. Diane Cohen asked *if we were to approve the lower amount, would this Project still proceed forward?* Molly Kaviar answered that there's a chance JAS would have to come back for the remaining financing if HLC cannot provide additional funds; this wouldn't stop the Project, but there's potential for another delay.

Andrea thanked Molly and Noah for presenting; the Project team thanked the Trust members and left the meeting.

Andrea noted that Brielle Calderan briefly dropped off the call; it was noted that quorum was present to start the meeting, and Trust could still vote.

Trustees expressed support for the project, noting that voting on the smaller amount would be preferred. Members clarified that the original commitment letter for \$4.6MM came from non-CPA dollars, and that, as of January 2025, there was roughly \$1.9MM of non-CPA, non-Early Acquisition Funds available. Becca Brooker noted that that number may be higher based on linkage payment receipts, however amount was not confirmed. Trust considered when the next round of CPA dollars may be available to the Trust; City Staff agreed to look into that timing.

Brielle Calderan re-joined the call.

Trust members confirmed they were comfortable making the additional commitment of \$260,000.00 with non-CPA dollars, the same source as the original \$4.6MM commitment.

Mary Cassesso made a **Motion** to approve funds in the amount of \$260,000.00 of non-CPA Trust funds to support the development of the Project located at 24 Webster Ave. Terms for the loan are 2% interest over a 40-year term with annual cash flow repayments and is given with the understanding that other financing is currently being sought. Diane Cohen seconded the motion, and the motion passed unanimously by roll-call vote.

**Staff Update: Becca Brooker updated Trust on impending partial release of land from existing 31-33 Cross Street East mortgage.** During the June 2024 Trust meeting, the Trustees approved a funding commitment of \$1.3MM of non-CPA Trust funds for the development of a new, three 3-BR unit building at 31-33 Cross Street.

SCC currently operates a separate 3-unit property on the 31-33 Cross Street parcel that was partially funded by a Trust loan for \$498,000 in December 2017. The new Cross Street development would take place on an unimproved portion of the 31-33 Cross Street property, adjacent to the existing building.

As part of the closing process for the \$1.3MM loan for the new development, the existing 31-33 Cross Street mortgage and Affordable Housing Restriction will need to be partially discharged to release the portion of the parcel that the new construction is being built on. The Trust's loan for that portion of the parcel will be secured through a new mortgage and Affordable Housing Restriction. It is City Staff and Counsel's opinion that when the Trust approved the July-2024 loan for the new construction, the partial discharge was implied in the vote and that this act can be classified as a loan management matter that does not require an action from the full trust.

Trust members did not have any questions.

**Request from the Somerville Community Corporation to prioritize repayment of 31-33 Cross Seller Sponsor Loan.** Becca introduced Laurie Calvert and CJ Horvath from the Somerville Community Corporation in attendance to present request: SCC would like to introduce a seller/sponsor loan in the Cross Street project between SCC to CrossFrame LLC, the borrower. Specifically requesting that this be repaid via cash flow prior to the SAHT loan.

CJ Horvath, a consultant for SCC, updated the Trust that SCC is hoping to close on financing and start construction of new, 3-unit development at 31-33 Cross Street East by June 2025. CJ continued that the Somerville Community Corporation currently owns the land that this new building will be built on, and SCC is contributing the value of the land to the Project. An appraisal shows the land is worth \$770,000. The request today proposes SCC making a loan to the Project for the value of the land that would be paid from any receipts of cash flow from the property, prior to the Trust loan repayment. CJ noted the Project is projected to produce between \$6,000-\$10,000 of cash flow annually. CJ also noted that Property will be part of the 100 Homes portfolio, which has operated at a cash flow deficit, and this would be a way to help bolster the 100 Homes portfolio with more cash to help it continue to stabilize operations.

Laurie Calvert reiterated this Project's three units in the 100 Homes portfolio, and is expected to net \$6,500 of cash flow per year. Laurie reiterated SCC's ask that the excess cash flow go back into the 100 Homes portfolio.

1. Andrea Shapiro asked *if there are any Trust funds or City funds in the original acquisition of this property?* Lisa Davidson clarified the existing \$500,000 loan from the Trust that was made in December 2017, was likely permanent financing, not acquisition financing.

Mary Cassesso expressed familiarity with the site and support for the Project.

Project team thanked the Trust members and left the meeting.

A few Trust members expressed support for creating new units and concern over SCC being paid before the Trust loan, given the Trust has limited funds projected coming in for funding other developments. Members highlighted that the actual annual cash flow of \$6,500 was likely not going to make a difference for Trust funding, when it would be helpful to SCC in developing more units. Members clarified that the request wasn't necessarily to move the Project forward, but to help stabilize the 100 Homes portfolio. Brielle recalled that about two years ago, SCC had presented to the Trust an overall health picture of the 100 Homes portfolio and how SCC was righting the ship. Members expressed interest in SCC preparing another presentation on the health of the 100 Homes portfolio, given SCC frequently requests Trust funds. Members expressed concern the Trust has already committed significant equity to this Project that is only three units, and that SCC characterizing their land contribution as donation could be deceptive. However, it was also noted that the cash flow in question is a small amount on an annual basis and would feel comfortable providing support for 100 Homes.

Diane Cohen made a **Motion** to approve Somerville Community Corporation request that 100% of the Cashflow from operations of the new development at 31-33 Cross Street be used to pay back SCC's sponsor loan until the loan is repaid in full. Following repayment of the sponsor loan, 50% of the cashflow from operations at 31-33 Cross will go towards repayment of the Trust loan.

Mary Cassesso seconded the motion, and the motion passed unanimously by roll-call vote.

## 5. *Standing Business*

**Update regarding staff administration of Trust.** Lisa Davidson updated that Staff met with the Mayor's office to walk through the Trustee reappointment process. In January 2025, the Mayor announced a new way of reappointing members to boards. Members who complete their first term can express their interest to keep serving, and they'll be reappointed. After their second term expires, the Mayor's office would like to open the position to the public, and the current Member is welcome to reapply. Lisa acknowledged that many current Trustees have been serving well beyond two terms. The Mayor's office was planning to address reappointments at the Affordable Housing Trust first, however when Paul gave his notice, this process was put on hold. As of now, the Mayor's office plans to wait until the City can hire and train a replacement for Paul. Lisa updated the Trust that the City has received applications for Paul's position and will begin interviews soon.

Mary Cassesso asked *if you serve more than two terms and your current position expired, are you not eligible to serve?* Lisa replied that her understanding was that once the Mayor's office advertised for the position, Trustees serving longer than two terms were welcome to apply. Becca Brooker agreed that was her understanding as well.

Note: Trustee Wilfred Mbah joined the meeting at 6:18pm. Wil asked for an email summarizing the two items voted on during the meeting.

## 6. *Adjournment*

The meeting was adjourned at 6:21 PM.

### **Documents distributed:**

- Draft February 13, 2025 Meeting Minutes
- Just-A-Start 24 Webster Additional Funding Memo
- Somerville Community Corporation Seller Sponsor Loan Request Memo