Affordable Housing Trust Fund CPA Reporting Template

Affordable Housing Trust Fund Annual CPA Report

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Introduction

The purpose of this report is to update the Community Preservation Committee (CPC) and to provide an overview of funding availability, current priorities, and Trust-funded activities to inform prospective applicants, community partners, and stakeholders. The report also provides a summary of projects and programs supported by the Somerville Affordable Housing Trust Fund (SAHTF or Trust) during Fiscal Year (FY) 2026. FY26 funding activity reflected continued demand for both affordable housing production and housing stabilization resources amid ongoing regional housing cost pressures.

The Somerville Affordable Housing Trust Fund is pleased to transmit this annual update on Trust-funded activities to Somerville's Community Preservation Committee. The Trust was designated by the CPC to administer Community Preservation Act (CPA) funds allocated for community housing purposes and began receiving annual appropriations of CPA funding in Fiscal Year 2015.

Historically, Requests for Proposals (RFPs) for CPA-funded housing programs have been issued in the late fall or early winter and reviewed by the Trust during the winter funding cycle. In recent years, the Trust has adjusted its funding process in order to respond more flexibly to evolving community housing needs, available funding, and project readiness. The Trust now issues RFPs based on funding availability and community need, while continuing to accept development funding applications on a rolling basis for both CPA and non-CPA funding sources.

During FY26, the Trust continued to support a combination of affordable housing development projects, acquisition initiatives, rental assistance programs, and housing stabilization efforts serving low- and moderate-income households. Funding commitments made during the fiscal year supported both the creation and preservation of affordable housing opportunities throughout Somerville.

Funding Availability

Sources of Revenue

Table 1: SAHT FY25 Revenue (as June 30, 2025)

Funding Source	Amount
Linkage and Fractional Payments	$11,000,397.26
Other (Loan repayments and bank interest)	$1,726,019.16
CPA Appropriation (net of FY26 debt service)	$1,468,693.00
Flex Rental Assistance (Non-CPA)	$1,750,000.00
Total	$15,945,109.42

Table 2: SAHT FY26 Revenue (as June 30, 2026)

Trust Funding Source	Amount
Linkage and Fractional Payments	$3,443,187.70
Other (Loan repayments and bank interest)	$2,008,952.87
CPA Appropriation (net of FY26 debt service)	$3,797,466.00
Flex Rental Assistance (Non-CPA)	-
Total	$9,249,606.57

Funding History

The first CPA appropriation was transferred to the Trust in FY15 and included the appropriation from FY14. In FY18, the Trust received an additional $6,000,000 in CPA funding through a bonding process. The proceeds from that bond issuance were exclusively used to fund acquisitions for the 100 Homes Program.

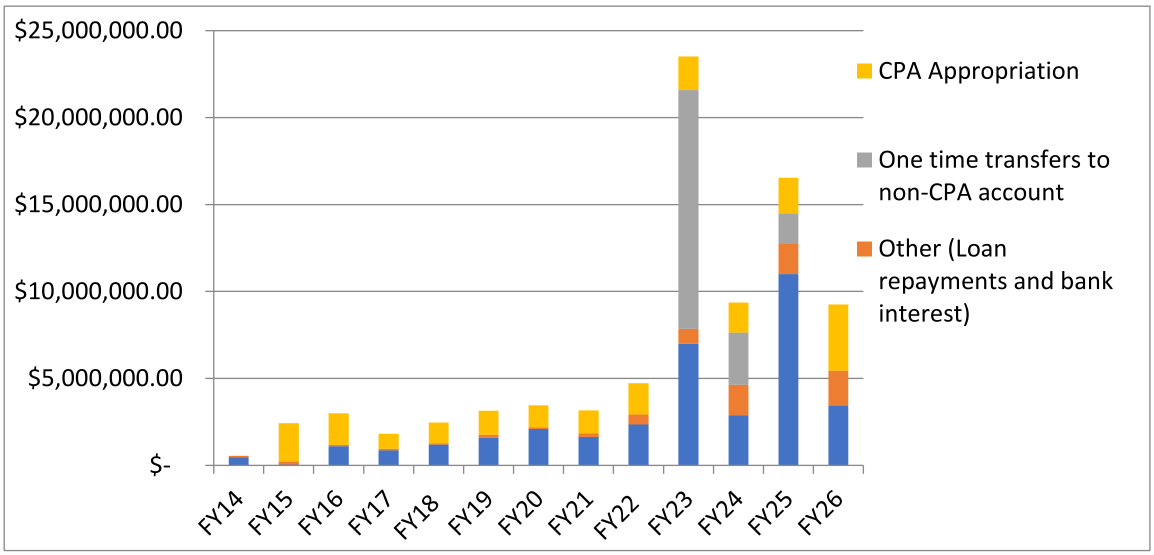
Beginning in FY20, debt service to repay the principal and interest associated with the Trust's yearly CPA appropriation was deducted from annual CPA housing allocations. In FY23, the final funds from the 100 Homes bond were liquidated to assist the Somerville Community Corporation with the acquisition of 184 Broadway.

In FY24, following requests to the CPC and City Council, the Trust again received additional CPA funding through the proceeds of a bond issuance to support the Clarendon Hill redevelopment project and the creation of 38 new affordable units. Beginning in FY25, debt service associated with prior bond issuances was deducted from annual CPA housing allocations prior to transfer to the Trust.

In FY26, the Community Preservation Committee and City Council increased the housing allocation to 55% of annual CPA revenues. The Trust received two Community Preservation Act housing allocations totaling $3,797,466 after debt service associated with prior bond issuances. Combined with linkage payments, fractional payments, loan repayments, and investment earnings, these resources continued to support affordable housing development, preservation, and housing stabilization activities throughout Somerville.

Funding History Charts:

Dollar Amount and Percentage of Funding Source (through June 30, 2026)



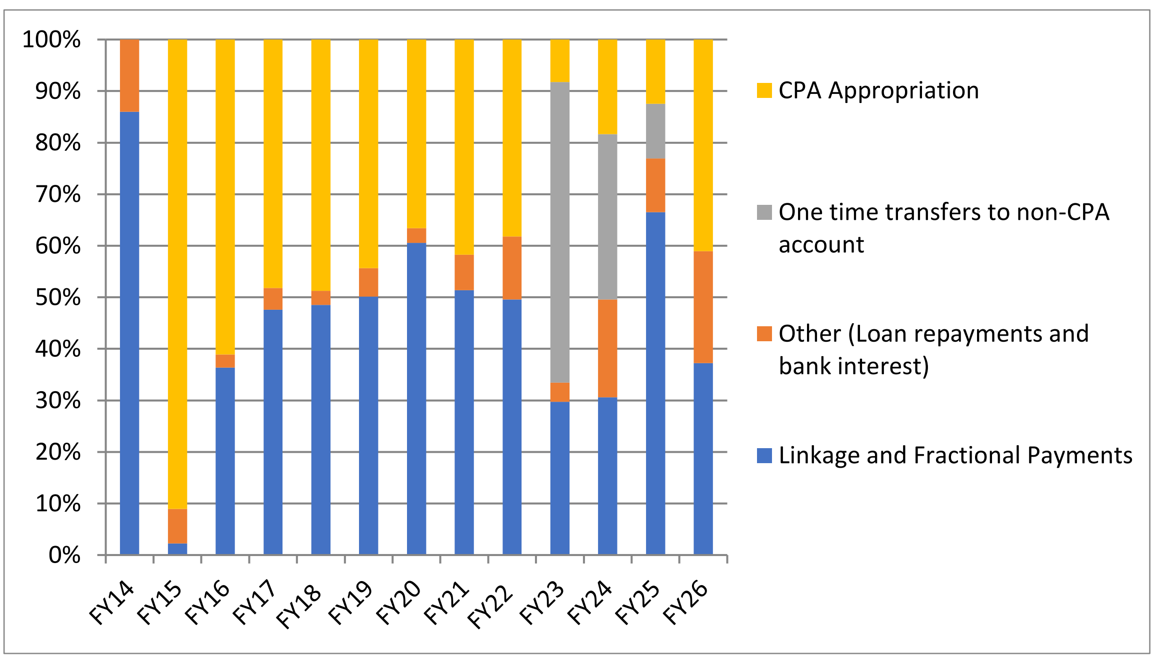


Table 3: CPA Allocations by Year

Year	% of CPA Housing Distribution	Total Housing Distribution	Debt Service	Net CPA Transfer to SAHT
FY14				$ -
FY15	45%	$2,206,028.00		$2,206,028.00
FY16	45%	$1,834,675.00		$1,834,675.00
FY17	45%	$880,416.00		$880,416.00
FY18	45%	$1,200,402.00		$1,200,402.00
FY19	50%	$1,396,986.00		$1,396,986.00
FY20	50%	$1,263,752.00	($312,153.00)	$951,599.00
FY21	50%	$1,320,471.00	($314,500.00)	$1,005,971.00
FY22	50%	$1,806,408.58	($314,500.00)	$1,491,908.58
FY23	50%	$1,931,433.00	($312,750.00)	$1,618,683.00
FY24	50%	$1,717,462.00	($311,500.00)	$1,405,962.00
FY25	50%	$2,064,595.00	($595,902.00)	$1,468,693.00
FY26	55%	$4,392,353.50	($594,887.50)	$3,797,466.00
Total:		**$22,014,982.08**	**($2,756,192.50)**	**$19,258,789.58**

Goals

Background

Legislature

The Community Preservation Committee has designated the Somerville Affordable Housing Trust Fund to administer Community Preservation Act (CPA) community housing funds. The Trust was established in 1989 by City ordinance, and its first programs began in 1991. The purpose of the Trust is to preserve and create affordable rental and homeownership opportunities in Somerville and to carry out programs that directly assist homeowners and renters. All Trust-funded activities must benefit low- and moderate-income households, generally defined as households earning at or below 110% of Area Median Income (AMI), and at or below 100% AMI for activities utilizing CPA funds.

The Trust was initially capitalized through municipal funds and federal program income. In addition to CPA funding, the Trust administers linkage fees generated through commercial development and fractional payments collected pursuant to the City's Inclusionary Housing Ordinance. Loan repayments and investment earnings are also reinvested into future affordable housing activities and initiatives.

Projects and programs funded with CPA resources must comply with allowable CPA community housing purposes as defined by Massachusetts General Law Chapter 44B and guidance issued by the Department of Revenue. Eligible CPA housing uses include acquisition, creation, preservation, support, rehabilitation, and restoration activities related to affordable housing.

Planning & Context

The Housing Division continues to coordinate with the City's Planning, Preservation, and Zoning divisions to advance long-term affordable housing goals and priorities. The most recent Housing Needs Assessment (HNA), completed in 2025, identified a continued and significant demand for affordable housing opportunities for extremely low-, very low-, and low-income households. The Trust continues to prioritize projects and programs that respond to these documented needs. Rising housing costs, limited housing inventory, and increasing demand for affordable rental opportunities continue to place significant pressure on low- and moderate-income households in Somerville.

The Trust also continues to utilize the Strategic Plan completed in 2023, which established updated goals, funding priorities, operational recommendations, and application evaluation criteria. The Strategic Plan further emphasized the Trust's role as a flexible and responsive financing resource capable of supporting both housing production and housing stabilization efforts in a competitive development environment.

During FY26, the Housing Division completed its work with RKG, the consultant that prepared the Financial Feasibility Analysis intended to inform future affordable housing policy and development strategies.

Additionally, the Trust continues to support initiatives aligned with the City's SomerVision goals, including efforts to increase the percentage of permanently affordable housing units citywide. Trust-funded acquisition, development, and preservation activities remain an important component of the City's broader affordable housing strategy.

Priorities and Criteria

In addition to meeting applicable AMI thresholds and CPA eligibility requirements, the Trust prioritizes projects and programs that preserve or expand affordable housing opportunities in Somerville and support housing stability for low- and moderate-income households.

Funding priorities include:

- Preserving and increasing the supply of permanently affordable housing
- Supporting affordable rental and homeownership opportunities
- Assisting households at risk of housing instability or displacement
- Leveraging additional public and private funding sources
- Supporting projects that serve extremely low- and very low-income households
- Advancing acquisition and development opportunities that contribute to long-term affordability goals

These priorities continue to reflect the goals outlined in the Trust's 2023 Strategic Plan and ongoing community housing needs identified through City planning efforts.

The following criteria are generally used when evaluating funding applications:

- Demonstrated measurable impact and community need
- Organizational capacity and prior performance
- Financial feasibility and project readiness
- Ability to leverage additional funding sources
- Long-term sustainability of the proposed program or project
- Preference for nonprofit applicants and locally based organizations when appropriate.

FY 26 Projects & Programs

Overview

Table 4: Development Projects

Project Name	Agency	Total Amount Requested	Total Amount Funded	CPA Funds Used
176-184 Broadway	Somerville Community Corporation	$2,800,000	$2,800,000	
12 Pleasant Ave.	Somerville Community Land Trust	$700,000	$700,000	
24 Webster Ave.	Just A Start	$2,731,000	$2,731,000	
Clarendon Hill Redevelopment Phase II	Preservation of Affordable Housing, Inc.	$5,875,000	$5,875,000	$4,000,000
Mt. Vernon Collection	Caste Capital, LLC	$2,400,000	$2,400,000	
	Total	**$14,506,000**	**$14,506,000**	**$4,000,000**

Table 5: Housing Programs

Project Name	Agency	Total Amount Requested	Total Amount Funded	CPA Funds Used
MVP Housing Search/Stabilization	Community Action Agency of Somerville	$106,447	$106,447	
MVP Administration/Rental Subsidy	Cambridge Housing Authority	$1,069,450	$1,069,450	
General Housing / Predevelopment Support	Somerville Community Corporation	$400,000	$133,333	$133,333
General Housing Program	RESPOND, Inc.	$208,950	$104,475	$104,475

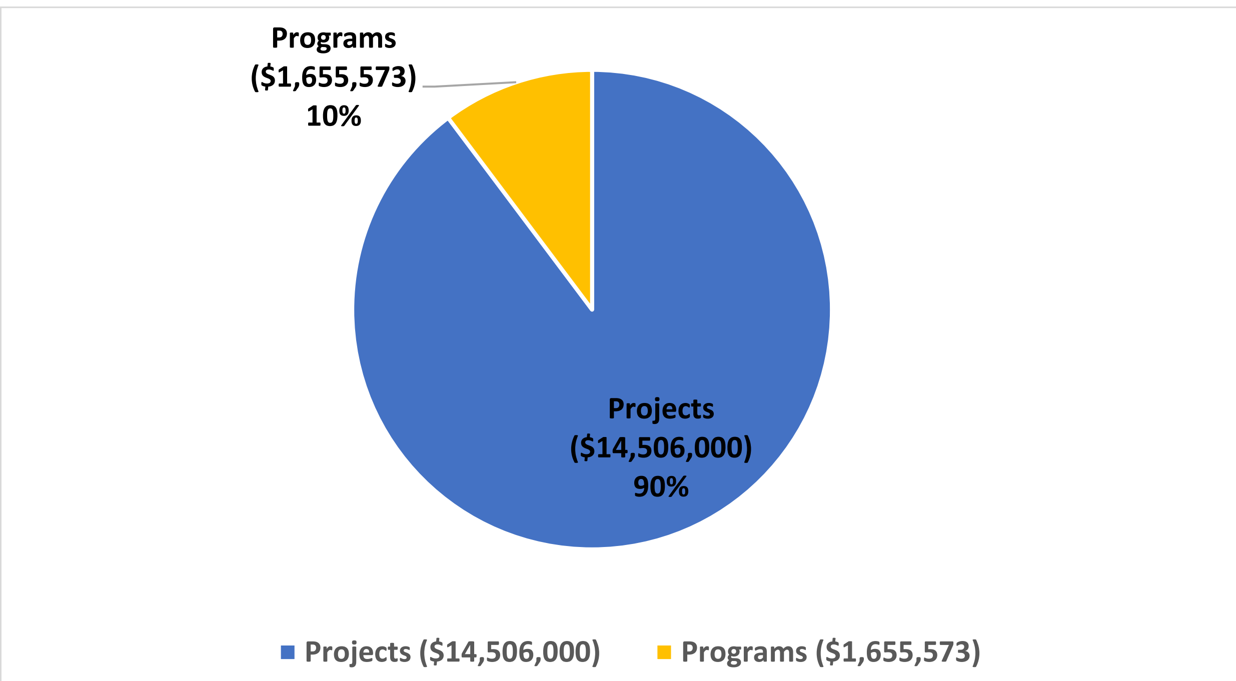
PSH Moving on Voucher	Somerville Homeless Coalition	$369,736	$184,868.08	$184,868.08
PASS	Community Action Agency of Somerville	$400,000	$57,000	$57,000
	Total	**$2,554,583**	**$1,655,573**	**$479,676.08**

Table 6: Summary of All Housing Commitments

Total FY26 CPA Commitments	$4,479,676.08
Total FY26 Non-CPA Commitments	$11,681,897
Total FY26 Trust Commitments	$16,161,573
CPA Funds available as of 6/30/2026	$3,584,363.41

FY 26 Projects & Programs Commitments:

Dollar Amount and Percentage through June 30, 2026



Details

176-184 Broadway

The Trust approved a $2.8 million commitment to Somerville Community Corporation (SCC) to support the development of 176-184 Broadway. The project is anticipated to create 52 affordable rental housing units serving households across a range of income levels, including units affordable to households earning approximately 30% to 80% of Area Median Income (AMI). During FY26, the project continued predevelopment, permitting, and financing activities as SCC worked to assemble the remaining funding necessary for construction and implementation.

12 Pleasant Avenue

The Trust approved a $700,000 commitment to Somerville Community Land Trust (SCLT) to support the acquisition and preservation of 12 Pleasant Avenue. The project will create two permanently affordable homeownership units through the community land trust model. The units are anticipated to serve households earning up to approximately 80% AMI, ensuring long-term affordability and expanding homeownership opportunities within Somerville. During FY26, SCLT continued acquisition and project planning activities.

24 Webster Avenue

The Trust approved a commitment of $2,731,000 to Just A Start to support the development of 24 Webster Avenue. The project will create 43 affordable rental housing units, including 35 units designated for households earning up to 60% of Area Median Income (AMI) and 8 units designated for households earning up to 30% AMI. During FY26, Just A Start continued project planning, permitting, and financing activities associated with advancing the development and long-term affordability of the project.

Clarendon Hill Redevelopment Phase II

The Trust approved a funding commitment of $5.875 million to support Phase II of the Clarendon Hill Redevelopment. Phase II will include 92 housing units, consisting of 71 replacement public housing units and 21 new affordable rental units serving households at or below 80% AMI. The project represents the next phase of a transformative redevelopment effort that will ultimately create 260 housing units, replace existing public housing, and provide new community amenities including open space, a community garden, and improvements to the surrounding neighborhood.

Mt. Vernon Collection

The Trust also approved $2,400,000 funding for the Mount Vernon Collection, a preservation initiative involving three affordable housing properties containing 23 units. The project will preserve affordability for existing residents through the renewal of long-term Housing Assistance Payment (HAP) contracts and capital improvements to the properties. The proposed Trust investment will help leverage additional financing while preserving affordable housing opportunities for low-income households and protecting residents from displacement in an increasingly competitive housing market.

Project Updates

A total of 285 affordable housing units have been or will be created through the use of and/or leveraging of Trust CPA funds. These units include both rental and homeownership opportunities serving households across a range of affordability levels, from 30% AMI to 100%

AMI. Projects supported through CPA funding include the 100 Homes Initiative, Mystic Waterworks, 163 Glen Street, Clarendon Hill,299 Broadway, and 24 Webster Ave.

In addition to supporting affordable housing development and preservation, Trust CPA funds have contributed to housing stabilization programs administered by multiple community-based organizations. During FY26, the Trust committed approximately $479,676 in CPA funds for housing programs and services administered by Community Action Agency of Somerville (CAAS), Somerville Homeless Coalition (SHC), Somerville Community Corporation (SCC), and RESPOND, Inc. These programs provide rental assistance, housing stabilization services, permanent supportive housing assistance, affordable housing preservation activities, and support for vulnerable households at risk of housing instability.

Table 7 summarizes the affordable housing units created through projects that have received or leveraged Trust CPA funding.

Table 7: CPA Funded Affordable Housing Units

# of units	Initiative/Program/Project	Area Median Income (AMI)
58	100 Homes Initiative (rental)	50% to 80% AMI
25	Mystic Waterworks development (rental)	30%-50% AMI
8	163 Glen Street (home ownership)	80%-100% AMI
38	Clarendon Hill Redevelopment Phase I (rental)	80% AMI
92	Clarendon Hill Redevelopment Phase II (rental)	30% - 80% AMI
115	299 Broadway (rental)	30%-60% AMI
43	24 Webster Ave (rental)	30% - 60% AMI
	Total CPA-Funded Units	**379**

Following are updates on recent or ongoing initiatives:

Development Projects

100 Homes Initiative

The 100 Homes Initiative continues to preserve and create affordable housing opportunities throughout Somerville through the acquisition, rehabilitation, and development of scattered-site properties. During FY26, CPA-funded program management activities supporting the initiative were completed, including development planning, project oversight, and predevelopment activities associated with expanding and preserving affordable housing units within the portfolio. The final requisition under the FY23–FY25 100 Homes Program Management contract was processed during the fiscal year, fully expending the contract allocation and supporting continued advancement of several affordable housing development projects.

As part of this work, predevelopment activities continued for 29 Cross Street East, a project that will create three affordable housing units. Project materials submitted during FY26 noted that prior CPA-funded 100 Homes resources were utilized to support project predevelopment costs and ongoing development activities.

163 Glen Street

During FY26, the City received confirmation that development activities at 163 Glen Street were complete. The project created eleven homeownership units, including eight permanently affordable units and three market-rate units. The developer also notified the City that a portion of previously committed CPA and Trust funding would not be required and requested that the remaining funds be returned for future affordable housing initiatives. The project represents an important addition to the City's affordable homeownership inventory and demonstrates the successful leveraging of Trust and CPA resources.

15 Temple Street (formerly 299 Broadway)

The Trust approved a commitment of $6,000,000 to Beacon Communities to support the development of 115 affordable housing units. The development will consist of 16 units designated for households earning up to 30% of AMI and 99 units designated for households earning up to 60% of AMI. The Trust's investment includes $1.5 million in CPA funds and $4.5 million in non-CPA Trust funds and helps leverage substantial state, federal, and private financing necessary to complete the project.

Clarendon Hill Redevelopment Phase I

Significant progress occurred during FY26 on the Clarendon Hill Redevelopment. Phase I of the redevelopment reached substantial completion during the fiscal year, with residential units completed and accepted for occupancy. Project documentation confirmed satisfaction of the conditions necessary for release of the final funding holdback, including substantial completion certification, occupancy approvals, title endorsements, and final construction documentation.

In May 2026, the Trust authorized release of the final holdback payment totaling $600,000, including $400,000 in CPA funds and $200,000 in non-CPA Trust funds, completing the Trust's Phase I funding commitment. Phase I was completed in December 2025 and subsequently achieved full lease-up.

Programs

Since FY15, the Trust has utilized CPA funding to support a variety of housing stabilization and housing assistance programs serving low- and moderate-income households throughout Somerville. These programs have included rental assistance, leasing differential assistance supporting permanent supportive housing programs, tenancy stabilization assistance, homelessness prevention services, housing search and stabilization services, and affordable housing program administration activities.

During FY26, the Trust continued to support ongoing housing assistance programs administered by the Somerville Homeless Coalition (SHC), Community Action Agency of Somerville (CAAS), Somerville Community Corporation (SCC), and other community-based partners. Active FY26 contracts supported Prevention and Stabilization Services (PASS), tenancy stabilization assistance, leasing differential assistance for permanent supportive housing programs, and affordable housing program administration activities. These programs provide rental assistance, security deposit assistance, rental arrearage assistance, housing search support, and other services designed to help residents obtain and maintain stable housing.

In June 2026, the Trust approved an additional $479,676.08 in CPA funding through its Housing Assistance RFP process. Awards included funding for Somerville Homeless Coalition's Moving on Voucher Program, Community Action Agency of Somerville's PASS program, RESPOND's General Housing Program, and Somerville Community Corporation's affordable housing predevelopment and preservation activities. These awards will support ongoing housing stabilization, supportive housing, and affordable housing preservation efforts throughout the community.

TRUST CPA HOUSING PROGRAM AWARDS FY15 to FY26				
Fiscal Year CPA Funds Awarded	Agency	Program Type	Funding Awarded	Requested Contract Term
FY14-FY15	SHC	CPA PASS Expansion (rental assistance)	$ 89,250.00	9/1/2018-8/31/2020
	SHC	CPA Leasing Differential	$ 35,820.00	7/1/2015-6/30/2017
FY16	SHC	CPA Leasing Differential	$ 56,868.00	7/1/2015-6/30/2017
	Wayside	CPA Leasing Differential	$ 26,107.00	7/1/2016-6/30/2018
FY17	SHC	CPA Leasing Differential	$ 57,825.00	7/1/2016-6/30/2018
	SHC	CPA PASS Expansion	$ 93,728.00	9/1/2018-8/31/2020
	Wayside	Shortstop Leasing Differential	$ 25,000.00	7/1/2016-6/30/2018
FY18	SHC	CPA PASS Expansion	$ 199,952.00	9/1/2018-6/30/2021
	SHC	CPA Leasing Differential	$ 62,523.00	7/1/2017-6/30/2019
	CAAS	CAAS Homelessness Prevention (TSP)	$ 50,000.00	4/1/2019-3/31/2020
	CAAS	CAAS Homelessness Prevention (TSP)	$ 150,000.00	4/1/2019-6/30/2021
	Heading Home	Perm Sup Housing Leasing Differential	$ 45,000.00	4/1/2019-3/31/2020
FY19	SHC	CPA Leasing Differential	$ 73,884.00	7/1/2019-6/30/2020
FY20	SCC	100 Homes Program Management	$ 200,000.00	1/1/2019-12/31/2020
	SHC	CPA Leasing Differential	$ 66,108.00	7/1/2020-6/30/2021
	SHC	CPA PASS	$ 199,952.00	7/1/2020-6/30/2023
FY21	CAAS	CAAS Homelessness Prevention (TSP)	$ 40,000.00	4/1/2019-2/28/2022
	SHC	Leasing Differential	$ 49,730.00	7/1/2021-6/30/2024
	SHC	CPA PASS	$ 207,781.00	7/1/2021-6/30/2023
	SHC	Tenancy Stabilization Program	$ 240,000.00	7/1/2021-6/30/2024
	CAAS	CPA Rental Assistance (PASS)	$ 300,000.00	7/1/2021-6/30/2024
	CAAS	Tenancy Stabilization Program	$ 200,000.00	7/1/2021-6/30/2024
	Respond	Housing Victims of Domestic Violence	$ 73,941.00	7/1/2020-6/30/2023
	SCC	100 Homes Program Management	$ 125,000.00	1/1/2021-12/31/2021
FY22	SCC	100 Homes Program Management	$ 250,000.00	7/1/2022-6/30/2024
	JAS	Tenancy Stablization Program	$ 120,000.00	7/1/2022-6/30/2025
FY24	SHC	HOME PASS Admin	$ 20,000.00	7/1/2022-6/30/2028
	CAAS	Tenancy Stablization Program	$ 200,000.00	1/1/2024-12/31/2025
FY25	SCC	100 Homes Program Management Extension	$ 125,000.00	7/1/2024 - 6/30/2025
	CAAS	PASS	$ 373,545.00	7/1/2024 - 6/30/2026
	SHC	Leasing Differential	$ 38,944.00	7/1/2024 - 6/30/2027
	SHC	PASS	$ 97,671.00	7/1/2024 - 6/30/2028
	SHC	Emergency Resident Displacement	$ 129,895.00	7/1/2025 - 6/30/2028
FY26	CAAS	Tenancy Stabilization Program	$ 121,561.00	7/1/2026 - 6/30/2029
	CAAS	PASS	$ 57,000.00	7/1/2026 - 6/30/2029
	SHC	PSH Moving on Voucher Program	$ 184,868.08	4/1/2026 - 3/30/2028
	SCC	Housing Development and Preservation Suppor	$ 133,333.00	1/1/2026 - 1/30/2027
	RESPOND, Inc.	General Housing Program	$ 104,475.00	1/1/2026 - 1/30/2029
		TOTAL:	**$ 4,624,761.08**	

Lessons Learned

Over the course of administering CPA funds, the Trust has continued to observe the importance of maintaining a diverse funding portfolio that supports both affordable housing development and housing stabilization activities. While large-scale development projects remain critical to increasing and preserving the City's affordable housing inventory, housing assistance programs continue to play an important role in preventing displacement, stabilizing vulnerable households, and helping residents remain housed during periods of financial hardship.

The Trust has also recognized the value of flexible funding resources that can be deployed alongside CPA funds to address evolving housing needs and leverage additional public and private investment. As housing development costs continue to increase and affordable housing financing becomes increasingly complex, partnerships with nonprofit housing organizations, service providers, public agencies, and private lenders remain essential to the successful creation and preservation of affordable housing opportunities in Somerville.

The Trust will continue to evaluate funding strategies, program outcomes, and community needs to ensure that CPA resources are utilized effectively and in a manner consistent with the City's long-term affordable housing goals.

CPA Stories

During FY26, CPA-funded initiatives continued to support both affordable housing development and housing stabilization efforts throughout Somerville. One notable milestone was the substantial completion of Phase I of the Clarendon Hill Redevelopment, a transformative affordable housing and public housing redevelopment effort that will ultimately preserve existing public housing while creating additional affordable housing opportunities. The Trust also continued to support the 100 Homes Initiative, which advances the preservation and expansion of permanently affordable housing through acquisition, rehabilitation, and development activities.

In addition to development projects, CPA-funded housing assistance programs continued to provide rental assistance, tenancy stabilization support, and permanent supportive housing resources for households experiencing housing instability. These programs help residents remain housed, avoid displacement, and access long-term housing opportunities throughout the community.