

**SOMERVILLE AFFORDABLE HOUSING TRUST FUND (SAHTF) – SELECTED SUMMARY OF TRUST ACTIVITY
FOR ACTIVITIES DURING 3RD CALENDAR YEAR QUARTER, 2017 – JULY-SEPTEMBER 2017**

JULY 2017

Consideration of SAHT 2017 CPA Housing Project proposals -- Staff noted that the applicants for the two projects, 100 Homes and Clarendon Hill, will be available to attend a CPC meeting August 16, 2017 at which the projects will be considered as part of the Trust's bonding request to support those projects.

- 100 Homes - Several trustees noted the importance of distinguishing between affordable 100 Homes units created by CPA funding, and affordable units acquired through FRIT funding under the zoning waiver it secured this spring. The FRIT-funded program could possibly reside with MHIC (Massachusetts Housing Investment Corporation) or MHP (Massachusetts Housing Partnership), for creation of 49 scattered site units. The timing of that funding relates to the FRIT project schedule and is to be determined.
- Clarendon Hill - Staff noted their understanding that SHA had not yet heard from DHCD on its request to use \$7 million of Moving to Work funding for relocation costs. Danny LeBlanc indicated his understanding that the request had been approved. The project development team will also be available at the August CPC meeting.

AUGUST 2017

Consideration of SAHT 2017 CPA Housing Project proposals – The Trust further considered SAHT 2017 CPA proposals, with SCC and POAH representatives attending to offer updates on the status of the Clarendon Hill and 100 Homes projects, respectively.

- 100 Homes - SCC reported that it has exhausted \$2.4 million of CPA funding allocated to date as the first twenty 100 Homes units are acquired and being brought to occupancy. SCC is pursuing a next round of properties in anticipation of further funding to be allocated.
- Clarendon Hill – POAH reported on efforts to incorporate feedback about the project plans from the community and the City. Changes are in ongoing process with regard to building massing, the compatibility of the site plan with neighborhood typology, and improvements to the traffic configuration where Powder House Boulevard meets Alewife Brook Parkway. An application to Mass Works has been submitted to the State for \$4.9 million for street and traffic improvements. POAH and SCC are working to increase sources of funds for the project budget to accommodate the cost of these improvements. The most recent budget had projected a need for \$6 million from local sources, which is expected to increase as estimates are updated to reflect changes to project.

The amount of a potential bonding request from the Trust to the CPC was discussed. The CPC is interested in knowing how much of annual CPA allocations that Trustees feel would be prudent to commit to these projects for long-term bond payments. Trustees agree that the two projects offer a rare opportunity to provide significant benefits by increasing the number of affordable units in Somerville, and that a maximum supportable bonding request should be made.

SEPTEMBER 2017

Consideration of SAHT 2017 CPA Housing Project proposals – Discussion of a potential recommendation to the CPC on bonding approval requests, regarding 100 Homes and Clarendon Hill.

- Clarendon Hill - OSPCD Executive Director Michael Glavin attended a portion of the meeting to report on the status of remaining issues involving the development team's need to respond to tenant and/or City questions on relocation and selected other issues.

- 100 Homes – To ensure that 100 Homes acquisition efforts could continue while bonding requests are considered and deliberated, staff prepared a recommending that the Trust commit \$750,000 in FY17 CPA funding and \$750,000 in Trust funds to support ongoing acquisitions, which was approved.

Recent Trust-funded loan closings – Staff reported on two recent funding/project milestones:

- 100 Homes (5 affordable units) - On September 8th, the City and SCC closed on two 100 Homes properties. The two properties are located at 293 Alewife (Ward 7) and 52 Sydney (Ward 4). The properties will contain five rental units—2 1BR units, 1 2BR unit and 2 3BR units affordable to households with incomes at or below 50% of Area Median Income (AMI). Rent levels serving a lower income level than most other 100 Homes properties is possible through state funding SCC had secured through DHCD’s Housing Preservation and Stabilization Trust Fund (HPSTF).
- 163 Glen Street closing (8 affordable units) – After several years of effort, SCC and the City also closed on 11 homeownership units (10 2BR and 1 3BR) located in Ward 1. Program includes:
 - 4 restricted to be affordable to households with income up to 80% of AMI
 - 2 restricted to be affordable to households with income up to 100% of AMI
 - 2 restricted to be affordable to households with income up to 110% of AMI
 - 3 market-rate, unrestricted

The total development cost for the project at closing is \$5,405,122. Trust Funding includes:

- \$913,762 of Trust CPA funds
- \$239,960 of non-CPA Trust funds

SOMERVILLE AFFORDABLE HOUSING TRUST FUND (SAHTF) – SELECTED SUMMARY OF TRUST ACTIVITY FOR ACTIVITIES DURING 4th CALENDAR YEAR QUARTER, 2017 – OCTOBER-DECEMBER 2017

OCTOBER 2017

Review of 2017 CPA Housing Project proposals – Clarendon Hill and 100 Homes projects were discussed, with updated information provided for further analysis. Selected updates from discussion are as follows:

- Clarendon Hill: City staff worked to identify other possible City sources that could help reduce the need for Trust funds and reserve CPA funding flexibility for other project requests. Potential sources include:
 - A tax increment financing approach (in which the portion of the project's real estate tax burden would be temporarily relieved) could increase the amount of debt the project could carry. A request from the development team for tax relief would total about \$170,000 per year which could translate into an amount of debt financing in the range of \$1.7 to 2.5 million. Efforts to confirm the viability of such an approach are underway.
 - Housing Division staff are working to confirm HUD HOME resources that could be allocated to the project. Staff is considering an increase from a previously identified level of \$650,000 up to approximately \$800,000 as/if necessary. This consideration will continue as an iterative process while the overall project financing is finalized.
 - Building permit relief of up to roughly \$1.6 million is another possible source of local support.
- 100 Homes: SCC is working with Housing Division staff, MassDevelopment and others on issuance of a 501(c)3 bond that would be purchased by East Boston Savings Bank (EBSB), as private financing for several acquisitions. CPA subsidy would need to go into each property at the time of permanent closing. Properties targeted for acquisition by year end include:
 - 355 Broadway – includes 16 occupied units
 - 11 Austin Street – 6 units
 - 35 Merriam – 3 units

Tenancy Stabilization Program: The Trust voted to issue an RFP to solicit proposals from local agencies to operate the Trust's Tenancy Stabilization Program. The program provides financial support to low-income households to pay for housing expenses such as first and last month's rent, security deposits, moving costs, and in limited cases, realtor fees.

NOVEMBER 2017

Review of 2017 CPA Housing Project proposals

- Clarendon Hill: Staff reported that further discussions have taken place since the November 1, 2017 between the City and the Clarendon Hill project development team, regarding total subsidy needed for the affordable housing portion of the project. The City has continued to consider other sources and in-kind contributions beyond SAHTF, to allow the Trust flexibility to support other affordable housing projects. The City expects to waive building permit fees for the affordable housing portion of the project, to decrease the amount of Trust funds that otherwise would be needed.

POAH (Preservation of Affordable Housing) estimates \$10 million subsidy need for the project. Updated plans will be shown to and discussed with residents and the community. The development team's goal is to start construction by summer 2018. Construction is expected to last roughly four years.

- 100 Homes: SCC has the 16-unit property at 355 Broadway under agreement as a part of the 100 Homes program. That building along with a 6-unit property at 11 Austin Street and a 3-unit property at 35 Merriam Street will bring the total number of 100 Homes units to date to 45.

Action on Bonding Recommendation to Community Preservation Committee - Bonding request for CPA funds to support Clarendon Hill and 100 Homes: Following discussion of projects referenced above, and projected needs, Trustees voted unanimously to recommend a \$10 million bond issuance in support of creation of additional affordable units at both the Clarendon Hill project and the 100 Homes properties. (CPC members subsequently approved this request at its November 14, 2017 CPC meeting.)

Tenancy Stabilization Program: An RFP was advertised to solicit proposals from local agencies to operate the Trust's Tenancy Stabilization Program.

DECEMBER 2017

Review of 2017 CPA Housing Project proposals

- Clarendon Hill: A community meeting with the Clarendon Hill residents and development team was held on December 13th. The meeting was focused on selected, remaining areas of concern to Clarendon Tenants United, including issues associated with the use of project-based Section 8 vouchers for 54 of the affordable units to be provided. Follow-up to the community meeting will include 'office hours' to help address resident concerns and clarify issues, and may also involve administering a survey to further gauge tenant support for the project in its current form.

Recent Trust-funded loan closing

- 100 Homes - the City and SCC closed on an additional 100 Homes property. The property is located at 355 Broadway (Ward 4). It will contain 16 affordable rental units.

Project completion of Trust-funded project

- SHA Waterworks – construction was completed for 25 new affordable units for elderly and disabled residents. Applications should be submitted to the Somerville Housing Authority. Trust committed a \$707,000 in Trust funds to the project.

Linkage payments

- The developers of Greentown Labs made the first of five annual payments of \$26,374.18 to the Trust according to their linkage agreement with the City. Payments will total \$131,870.90.

Tenancy Stabilization Program: Staff reported on a proposal that was received from a local agency in response the Tenancy Stabilization Program RFP. Proposal review will include an interview with agency representatives at the January, 2017 Trust meeting.

SOMERVILLE AFFORDABLE HOUSING TRUST FUND (SAHTF) – SELECTED SUMMARY OF ACTIVITY
FOR ACTIVITIES DURING 1st CALENDAR YEAR QUARTER, 2018 – JANUARY-MARCH 2018

JANUARY 2018

Tenancy Stabilization Program RFP – The Trust awarded Just-a-Start Corporation a contract to operate its Tenancy Stabilization Program. The program provides first and last month's rent and security deposits for Somerville households with income at or below 80% of area median income (AMI). The contract award for one year of operation is \$60,000, with an option for the Trust to award a second year contract contingent on program performance.

FEBRUARY 2018

CPC Bonding Request Recommendation in support of City of Somerville/Somerville Community Corporation 100 Homes Initiative – The Trust approved a request that the Community Preservation Committee (CPC) for a recommendation to the Board of Aldermen (BOA) for bonding \$6,000,000 from the CPA community housing reserve budget. Pending approval by the BOA, the bonding would provide funding for the 100 Homes Initiative and would consist of loans to the Somerville Community Corporation and managed by the Trust. The 100 Homes initiative seeks to secure 100 new units of affordable housing in Somerville through purchasing existing multi-family properties and converting them to affordable housing. To date, the 100 Homes project has acquired 45 fully deed restricted rental units in 10 properties that preserved 23 tenancies, including 5 that were in danger of losing their Section 8 vouchers. Five units are designated for homeless households.

MARCH 2018

Inclusionary housing fractional payment – Trust staff reported deposit of a fractional payment by Federal Realty Investment Trust (FRIT) in the amount of \$107,285.25, in accordance with its Affordable Housing Implementation Plan for the Alloy Block 5 condominium project in Assembly Square. The project also contains 15 affordable inclusionary units.

Linkage payments – Trust staff reported deposit of a payment of \$40,437.22 to the Trust (due on March 22, 2018 from the developers of Coresite, 70 Innerbelt).