

**TO:** Honorable Members of the Board of Aldermen  
**FROM:** Annie Connor, Legislative Liaison  
**RE:** Responding to item #205477 - Block 8 Affordable Housing Payments  
**DATE:** May 22, 2018

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Per your request via agenda item #205477 (“That the Administration report to this Board when the city will receive payment installments from Federal Realty Investment Trust relevant to the affordable housing waiver.”), the following is from the Planning Board decision which is available on the Planning Board webpage:

- A. Obligations of the applicant: The applicant shall have the following inclusionary housing obligations:
- a. The applicant shall provide 31 units on-site (16 units at 50% AMI and 15 units at 80% AMI).
  - b. In lieu of additional on-site units, the applicant shall make payments totaling \$10,322,000 for the city to create off-site affordable units as further described in item (B) below:
    - i. 11.3% (\$1,166,386) will be due upon issuance of the building permit for Block 8.
    - ii. 13.7% (\$1,414,114) will be due upon the first delivery to the site of steel structural members for the tower.
    - iii. 33.9% (\$3,499,158) will be due upon issuance of a temporary or permanent certificate of occupancy for the first market-rate residential unit in the property.
    - iv. The balance (41.1% / \$4,242,342) will be due upon issuance of a temporary or permanent certificate of occupancy for the 230th market-rate residential unit on the property.
  - c. The SPGA hereby determines that the applicant shall make the payment directly to a housing finance organization, and that this organization shall be selected by the OSPCD Housing Division staff.
- B. Obligations of the City: Per the provisions of Article 13, the Planning Board instructs the City to dedicate the off-site unit funds as follows:
- a. Funds shall be dedicated to the purchase and/or rehab of a minimum of 49 affordable housing units (with a minimum of 16 at 50% and 16 at 80% of AMI) through the “100 Homes” program or, should such a program be discontinued, an equivalent program. Funds may be used for any eligible step towards securing affordable units, including but not limited to purchase, rehab, finance payments, maintenance costs and a reasonable developer fee.
  - b. The funds may be leveraged through financing strategies that permit the program to increase the total number of units that may be acquired and

stabilized. The funds may be matched with other funding sources, if such a strategy results in additional units being acquired and stabilized.

- c. Expenditure of the funds shall require approval of the City of Somerville, and the funds shall be subject to audit by the City of Somerville or its designee.
- d. Units purchased with the funds shall be subject to the City's lottery and preference system, unless existing tenants are remaining in the building.
- e. Funds shall be expended by the City of Somerville or a Community Housing Development Organization operating within the City of Somerville.