

**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.