

Minutes of the Meeting of the Affordable Housing Trust Fund Board

Date: October 24, 2024
Time: 7:00 – 8:00 PM
Location: Conducted via remote participation

- Trustees Present: Karen Kelleher, Jaclyn Pacejo, Jack Nagle, Neal Mongold, Eric Helmuth and Beth Elliott
- Town Staff Present: Sarah Suarez
- Other Attendees: Erica Schwartz, Rebecca Gruber and Violet Barton

Karen called the meeting to order at 7pm.

Approval of minutes from April 25 and Sept 5

Due to some members needing to potentially leave early, Karen asked the members to review the minutes that had been provided to the members in advance. With respect to the draft minutes for the April 25, Karen asked that the spelling of her name be corrected. There being no other changes, the minutes were approved, by a roll call vote, upon a motion duly made and seconded. Neal abstained from this vote, as he was not present at the April 25 meeting. The members then discussed the draft minutes for the September 5 meeting. There being no comments, the September 5 minutes were approved, by a unanimous roll call vote, upon a motion duly made and seconded.

Action Plan Implementation

Goal: Create More Affordable Housing

a. Update on Acquisition, Creation, and Conversion Program Update and Funding Recommendation

Karen asked Sarah to introduce the application for the ACC program for two large apartment building on Mass. Ave. submitted by HCA. Neal, as member of the HCA Board, departed the meeting for the discussion of this application. Sarah described that HCA is looking to sign a P&S next week and will then be conducting diligence. HCA is hoping to restrict 10 units to begin with and will be planning on restricting at least 50% of the units at 60% AMI over time. Karen asked Erica, as the executive Director of HCA, to discuss the project. Erica explained that HCA is beginning its diligence process and meeting with potential financing sources. She described the opportunity to purchase these buildings as an incredible and rare opportunity to prevent displacement and create affordable housing in Arlington. Erica explained that HCA is asking for \$2MM to restrict 8 units at 60% AMI, as their current understanding is that there are at least that number of tenants who will income qualify, but that they are still waiting on additional information about tenant incomes. Erica anticipates that they will do some minor renovations following the acquisition and seek a LIHTC syndication in roughly 5 years. Erica further explained that the P&S will provide for diligence until December, with a financing contingency into January.

Rebecca asked for permission to ask a question, which Karen allowed. Her question was whether the HCA intended it to be a fully affordable project or to remain mixed income. Erica explained that she anticipates that the building will remain mixed income and noted that HCA's management agent, Peabody Properties, is experienced with market rate and mixed income buildings.

Jaelyn asked about the price for the building, which Erica indicated is \$21MM. She also asked about HCA's organizational capacity to take on the project. Erica explained that they are working with a development consultant as well as bringing on another real estate development project manager. Beth asked about the closing timeline, and Erica indicated that the closing would be by the end of February. Eric commented that he was excited about the potential for mixed-income housing. In response to a question from Eric, Erica indicated that HCA would not be able to meet the purchase price without the funding under the ACC program.

Karen then reviewed the conditions that the Trust would be recommending to the Town Manager. Karen spoke favorably about the opportunity to prevent displacement and to bring a valuable resource into stewardship of a nonprofit committed to affordable housing in Arlington. Jack added that this deal is really what the Trust is designed to support and that he trusts HCA to handle a project like this. Eric indicated that he is very supportive of the proposal, and the trustees discussed the need to commit the funds by the end of 2024.

On a motion duly made and seconded, the recommendation was unanimously approved by a roll call vote by the Trustees present.

Following the vote, Mr. Helmuth departed the meeting and Mr. Mongold rejoined the meeting.

b. Community engagement opportunities hosted virtually:

RECAP: Oct. 17- Strategies for Creating More Affordable Housing;

UPCOMING: Nov. 7- Exploring an Affordable Housing Overlay for Arlington

Sarah provided an overview of the recent event, with over 100 registrants and roughly 70 participants at any time. Sarah commented favorably on the level of engagement. Karen thanked Sarah and Beth for their presentation at the Forum and commented that it was great to have Jack and other developers provide the context for how difficult it can be to develop affordable housing.

Goal: Build the Financial Strength of the Trust

a. Preliminary FY26 CPA application submitted

Karen noted that the application has been submitted and that she will be meeting soon with members of the CPA to discuss the application.

2. Approval of minutes from April 25 and Sept 5 - Address previously.

3. Public Comments (time permitting)

No public comments were made.

On an motion duly made and seconded by a unanimous roll call vote, the meeting was adjourned at 8:05pm.