



# Somerville Cultural Trust Strategy | Phase One Memo

## *November 2025*

### **Making the Case for a Cultural Trust in Somerville**

The City of Somerville has been a leader in using zoning to preserve and expand spaces for artists to live and work for over fifteen years. The City recognizes the value that the arts community brings to Somerville and has undertaken multiple efforts to address the challenges of maintaining and supporting arts spaces. The completion of the [Somerville Art Space Risk Assessment](#) in partnership with the Metropolitan Area Planning Council (MAPC) in 2022 highlighted the need for additional tools beyond policy that would allow the City to more consistently and proactively preserve and expand creative space and maintain its affordability. Building on the risk assessment, the City joined Boston and Cambridge to work with MAPC on a regional study of arts and culture spaces through the Making Space for Art project, which launched in 2022. That work identified a broader need for municipal tools to finance, develop, and manage cultural spaces.

During these planning efforts, Somerville has continued to be proactive in using available tools and resources to preserve existing cultural space and improve creative space policies and planning. The City acquired the historic Somerville Armory by eminent domain in 2021 and completed the [Somerville Armory Master Plan](#) for a community arts center in 2025. The City of Somerville adopted the Brickbottom Neighborhood Plan with provisions for arts and culture space in 2024. Somerville also released the [Somerville Cultural Capacity Plan](#), a report from the [Anti-Displacement Task Force Creative Displacement Committee](#), and updated the Arts & Creative Enterprise (ACE) definitions in local zoning based on recommendations from the Arts Space Risk Assessment in 2025.

The local arts community has demonstrated the value of the City's previous zoning and planning efforts through advocacy around new development proposals. Local arts advocates, including [#ARTSTAYSHERE](#) and [Don't F with FAB!](#), successfully mobilized with the Union Square Neighborhood Council to negotiate a [Community Benefits Agreement](#) to support Arts & Creative Enterprise (ACE) spaces, as part of the Somernova Expansion following a public vote on June 4, 2025.

One key lesson from these recent efforts is that municipal governments are not well suited to directly managing properties and their redevelopment. That reality is part of the

reason that trusts, redevelopment authorities, and housing authorities were established when it became clear that local governments needed strategies to directly address market failures in real estate related to economic prosperity and housing affordability. Recognizing a similar market failure related to affordable cultural space, the City of Somerville received a Technical Assistance Program (TAP) grant from MAPC to explore how establishing a trust for cultural space could provide support to preserve, develop, and manage cultural spaces.

This memo outlines potential pathways for the City of Somerville to establish a cultural trust able to collect and distribute money to support cultural space as well as acquire and manage properties, identifies local models that could be adapted to support these goals as well as potential funding sources. The memo also provides a framework for future engagement.

## **Models for Funding and Property Management in Somerville**

In Phase One of this effort, MAPC and Somerville Arts Council staff researched and documented existing models currently in use by the City of Somerville to aggregate revenue from multiple sources and to invest in and manage real property in Somerville. The initial research included a review of Massachusetts General Law and interviews with City of Somerville municipal staff, documented in the Appendix. Two main strategies emerged that show promise as models for a Somerville Cultural Trust: Trust Funds and Authorities.

### **Trust Funds**

Municipalities may establish trust funds through a home-rule petition to the legislature. Somerville already has two dedicated trust funds in place, the Affordable Housing Trust Fund and the Job Creation and Retention Trust Fund.

#### ***Somerville Affordable Housing Trust Fund (SAHTF)***

The purpose of the Somerville Affordable Housing Trust Fund (SAHTF) is to preserve and create affordable homeownership units in Somerville and to carry out programs that directly assist homeowners and renters. Some guiding aspects for the trust and its funding structures include the following provisions:

- SAHTF is one of multiple funders for affordable housing developments, though it is not typically the first funder committed to a project.

- The SAHTF does not acquire or hold property but provides funding to local nonprofits and developers looking to submit affordable housing proposals for property on the market. The SAHTF plays the role of a financing agent that provides liquid capital and is more flexible than other lenders.
- Funding for the SAHTF includes funds from a housing linkage fee established in 1991. In addition, the trust receives 55% of Somerville's Community Preservation Act (CPA) funds. Funds between these sources are kept separate due to requirements attached to CPA funds.

The Somerville Affordable Housing Trust Fund has a dedicated bank account under the purview of the City Treasurer and has an established process to publish requests for proposals (RFPs). Trustees are appointed by the mayor and approved by the city council; ex-officio positions are occupied by the Mayor, President City Council, and the executive director of the Somerville Housing Authority or their respective designees. The remaining six appointed trustee positions are filled by two representatives of local nonprofits, and two low-income residents who all manage the SAHTF, one professional in the field of housing or real estates, and one professional from the field of banking or finance. The board is served by a municipal staff liaison from the City's Office of Strategic Planning and Community Development Housing Division. In 2023, the City of Somerville published a [Strategic Vision and Guidelines](#) for the funds to guide the vision and priorities for the trust fund through 2027.

Somerville was one of the first communities in Massachusetts to adopt an Affordable Housing Trust Fund in 1989. When Somerville formed its Affordable Housing Trust, the City filed a home rule petition with the State to enable its creation. In 2005, the state legislature passed the Municipal Affordable Housing Trust Fund Law (MGL c.44 s.55C) to allow local legislative bodies to create a local housing trust by right and simplify the establishment of a local housing trust fund. In 2016, amendments to the law established guidelines on what local housing trusts can do, their governance structure, and powers.

The Municipal Affordable Housing Trust guidebook, developed by The Massachusetts Housing Partnership, provides a detailed guide for municipalities working to establish a trust, which could inform how the City of Somerville might structure a cultural trust. This process includes establishing a municipal task force to determine viability, establishing a vision statement, developing bylaw language for board or trustee membership, identifying a municipal coordinator position and relationship to other boards, and outlining the board's powers in the community.

The Somerville Community Preservation Fund, which provides funding to the SAHTF, was created through Somerville's adoption of the Community Preservation Act in 2012.

The fund is managed by the Somerville's Community Preservation Committee and receives funding through a 3% surcharge on net property taxes (after a \$100,000 property value exemption) and matching funds provided by the state from the Community Preservation Trust Fund. Funds may be used to preserve open space and historic sites, create affordable housing, and develop outdoor recreational facilities. The fund is enabled through MGL Chapter 44B, the Community Preservation Act, which then must be adopted by municipalities.

### ***Job Creation and Retention Trust Fund (JCRT)***

The purpose of the Job Creation and Retention Trust Fund (JCRT) is to create and expand local employment opportunities for Somerville residents. Its programs are guided by the Somerville Talent Equity Playbook, a resource developed by local advocates and stakeholders to evaluate the workforce landscape and determine guiding principles and priorities for workforce development efforts.

The Playbook identifies four strategic areas, and all JCRT investments must follow one or more of these strategic areas. Core operational aspects of the JCRT include the following structures for funding and community input:

- Funding is allocated through a request for proposals (RFP) process and awarded through the trustees, using local labor market data, and prioritizing opportunities to benefit residents with lower educational attainment and limited English proficiency.
- Monies can be paid directly into the trust and do not require additional appropriation or approval. General revenue funds may be appropriated into the trust, at which point they become trust property and do not require further appropriation. All monies remaining in the trust at the end of any fiscal year remain trust property regardless of whether they were expended within one calendar year of appropriation.
- The JCRT hosts an annual public forum to solicit feedback from community members. Because the trust cannot award funds directly to individual residents, this forum is mostly attended by organizations and entities eligible to apply for project funding from the trust.
- The trust is funded by a linkage fee established in 2017. This linkage fee has annual adjustments based on the Consumer Price Index (CPI) and is tracked by City staff members who support the trust and reevaluate the CPI every 5 years.

The governance of the JCRT includes a board of 3 ex-officio and 6 appointed members and a municipal liaison from the City's Office of Strategic Planning and Community Development, Economic Development Division. The ex-officio board members are the Mayor, the Superintendent of Public Schools, and the President of City Council or

respective designees. The appointed board members shall include two Somerville residents, two representatives of non-profit organizations, and two Somerville business representatives.

Efforts to establish the Job Creation and Retention Trust Fund began in 2013. A nexus study published that year examined Somerville's commercial development and its impact on residents' resources for job training. Based on that study's recommendations, the City of Somerville filed a home rule petition to create the Job Creation and Retention Trust in 2016. In 2017, the Somerville City Council approved a zoning amendment that created the Jobs Creation and Retention Linkage Fee for non-residential developments over 15,000 square feet to fund the JCRT. In 2018, the City adopted an ordinance that guided the structure of the board and trustees, and in 2019, that governing board approved operating procedures and fund usage. While the JCRT is like the City of Boston's Neighborhood Jobs Trust, both are unique and do not have enabling legislation in Mass General Law that would facilitate their adoption by other municipalities.

## **Authorities**

Massachusetts General Law enables the creation of municipal authorities in MGL Chapter 121B, section 9. This section defines two types of authorities: housing authorities and redevelopment authorities. Chapter 121B outlines the municipal structure and powers granted to these authorities, which are authorized to take property by eminent domain, purchase or lease, acquire by gift, bequest or grant, and hold any property, real or personal, or any interest, as outlined in [Section 11](#). Authorities are regulated under [760 CMR 12.00](#).

Massachusetts General Law Chapter 121B, Section 5 establishes the governance structure for housing and redevelopment authorities. Every member is a fiduciary of the authority. Processes and terms for appointments and elections as well as other governance considerations are further detailed in the section.

The City of Somerville has two separate urban renewal agencies - the Somerville Redevelopment Authority (SRA) and the Somerville Housing Authority (SHA). The Somerville Redevelopment Authority works to implement various urban renewal plans in partnership with the City and private development partners. Currently these consist of the Union Square Revitalization Plan, the Winter Hill Urban Renewal Plan, and the 90 Washington Street Demonstration Project Plan. The SRA also owns some property within the City either in connection with these plans or previous expired plans. The Somerville Housing Authority has dedicated revenue and staffing, and it is narrowly

focused on housing. Phase Two of the Somerville Cultural Trust project will include additional research on the structure and management of these authorities.

## **Revenue Sources for a Cultural Trust in Somerville**

One goal for a Somerville Cultural Trust is to aggregate funding from multiple revenue sources to be expended over multiple fiscal years for the purpose of stabilizing and expanding affordable cultural space.

### ***ACE Buy-Out Provision***

Efforts underway to establish a payment-in-lieu, or buy-out, provision for the Artists and Creative Enterprise (ACE) set-aside requirement would generate one promising revenue stream. A recent feasibility study by HR&A provides guidance on how such a buy-out provision might be implemented and provides estimates of how much revenue would be generated depending on the development scenario. This payment-in-lieu provision has not yet been adopted. The City of Somerville would need to formally adopt the provision and allocate its revenue to a cultural trust (or dedicated fund) in order to realize this revenue stream.

### ***Community Benefits Agreements***

The trust should also be set up so that it can receive funding or real property through Community Benefit Agreements with developers and donations from property owners or individuals. A recently negotiated community benefit agreement for the Somernova development includes a buy-out provision or in-kind contribution for ACE space. This contribution would be the first application of a payment in-lieu model for ACE set-aside space and could inform the City's adoption of a buy-out provision. This would not be a reliable dedicated revenue source for a trust and would supplement other sources.

### ***Linkage Fees***

Another proposed source of funding is linkage fees. Linkage fees are fees required from developers to mitigate adverse impacts of new commercial development on Somerville residents. The City of Somerville already has adopted two linkage fees to mitigate residential displacement and loss of jobs for local residents associated with new development projects. These linkage fees fund the Affordable Housing Trust Fund and the Jobs Creation and Retention Trust Fund respectively. A linkage fee to preserve access to cultural space for Somerville residents in the face of development pressures would require additional study. A nexus study would assess whether there is a reasonable relationship that justifies an appropriate rate. Because linkage fees increase the cost of development projects in Somerville, a nexus study would also analyze how an additional linkage fee to mitigate the displacement of cultural space might impact

development feasibility in Somerville.

### ***Local Option Taxes***

Finally, local option tax revenues have been identified as a potential revenue source that could fund a cultural space trust. Dedicated local option tax revenues, including the short-term rental tax, are collected and incorporated into the City's general fund. Allocating a portion of local option tax revenues to a cultural trust would require appropriating the funds from the City's general fund into the trust. The trust would need language similar to that used for the JCRT ensuring that monies moved out of the general fund would become property of the trust and need not be expended in the fiscal year when they were allocated.

## **Pathways to a Somerville Cultural Trust**

Somerville's two goals for establishing a cultural trust are (1) to collect and distribute money to support cultural space preservation and development and (2) to acquire and manage properties, particularly properties that currently function as affordable cultural space, to avoid the loss of cultural space and displacement of artists and creative enterprises.

### **Cultural Space Stabilization Fund**

An intermediate step to advance these goals is to establish a stabilization fund that could function as a cultural space fund while a cultural trust is in development. A local stabilization fund is authorized by MGL Chapter 40 Section 5B as a mechanism for municipalities to set aside money for "any lawful purpose." Establishing a cultural space stabilization fund as a prototype for a cultural trust would require two-thirds approval of Somerville City Council. Appropriation of stabilization funds also requires a two-thirds approval of City Council.

With a cultural space stabilization fund, the City would be able to set aside funding for cultural space, develop language designating how funds would be used, and establish a structure for fund distribution. In addition, the process of establishing a stabilization fund presents an opportunity to determine how cultural space funds would be administered within city processes. In this way, establishing a cultural space stabilization fund could be an initial step for collecting and accumulating funds for cultural space initiatives and testing the concept of a cultural trust fund. Once Somerville establishes a stabilization fund, the City would be well-positioned to set up a local creative space trust through a home rule petition, which would need approval from the Legislature.

## **Cultural Space Trust Home Rule Petition**

Additional goals for a cultural trust are to acquire and manage property and to create structures of accountability to the arts community. These goals cannot be met through a stabilization fund. A stabilization fund is governed by the City Council, while governance of a cultural trust can be structured to include members of the arts and culture community on its board. To achieve the first goal, the City of Somerville must file a home rule petition to establish a cultural trust to acquire property or real estate. In drafting a home rule petition for a cultural trust, the City can adapt language from previously filed petitions for Somerville's Affordable Housing Trust Fund and Somerville's Job Creation and Retention Trust Fund. Since these two trusts do not acquire property, the cultural trust home rule petition would need to include new language enabling the trust to hold both financial and real property. To achieve the second goal, the home rule petition would need to be drafted to allow the trust to operate independently, guided by a board with representatives from the city government and the arts and culture community.

## **Cultural Space Trust + Cultural Space Authority Home Rule Petition**

An alternative approach would be to file a home rule petition to establish a cultural trust fund as a financing mechanism and a creative space development authority as a real estate management entity, modeled after the Somerville Redevelopment Authority or the Somerville Housing Authority. In this scenario, a cultural space redevelopment authority would take a more active role in acquiring and redeveloping property, and the trust would provide financing to the authority and other nonprofit cultural space developers and property managers. Phase One research did not fully explore the opportunities and challenges of establishing a cultural space authority, and additional research would be needed prior to pursuing this approach.

## **Key Considerations & Next Steps**

As this effort moves into Phase Two, the focus will shift to identifying appropriate structures for governance and accountability to the City and the arts community, clarifying revenue streams and methods of acquiring and holding monies and real property, and the priorities and process for distributing funding, property, and land. Any recommendations will need further review for compliance with Mass General Law and to receive feedback from appropriate local and state officials, including the Department of Revenue. As part of Phase Two, community stakeholders and municipal staff must



consider the most desirable and feasible model for preserving, protecting, and expanding access to cultural space in Somerville.

During Phase Two, MAPC proposes to work with the City of Somerville to host engagement events to test the proposed options for operational models of a cultural trust. Ideally, this engagement will include municipal staff, local artists and arts advocates, and policy experts to test different cultural trust models. In these engagements, groups will review proposed structures for a cultural trust, work through the governance structure, and explore inputs and outputs from the trust. Findings from these engagements will inform final recommendations for establishing a cultural trust advisory board.

Notably, the proposed Creative Space Act Bill ([H.3587/S.2334](#)) in FY2026 includes statewide legislation that enables municipalities to establish a creative space trust. If this legislation passes in the current legislative session, Somerville will be poised to adopt a local culture trust, and if the bill does not pass, Somerville will need to file a home rule petition to establish such a trust.

# Appendix

## Project Process

In seeking mechanisms to support arts and culture uses through municipal finance, the project team led a deep dive into Massachusetts General Law to identify mechanisms that municipalities can use to support arts and culture facilities and purposes, and explore the restrictions and allowances for specific types of funds, trusts, authorities, and enterprises. This review aims to identify any existing mechanisms that municipalities can use to set aside funds and properties for cultural use.

## Research Summary Table

Revolving Funds			
<i>Description</i>	<i>Restrictions</i>	<i>Allowances</i>	<i>Enabling Legislation</i>
Revolving funds are authorized by local bylaw or ordinance to establish a separate fund where any fees, charges, or other receipts from the departmental programs or activities, and approved expenditures may be made without further appropriation.	<ul style="list-style-type: none"> <li>Generally, it requires annual approval from the local legislative body (e.g., city council or select board) and vote on the limit of the total amount that may be expended from the revolving fund.</li> <li>Sources of income entering the fund must be tied to activities supported by the fund.</li> </ul>	<ul style="list-style-type: none"> <li>Accounted for separately from all other monies.</li> <li>In some cases, it can be statutory - meaning the fund does not require annual approval.</li> <li>Examples include local cultural council funds awarded by Massachusetts Cultural Council, which is statutory.</li> </ul>	<p>“Revolving Funds”  <a href="#">MGL Part I, Title VII, Chapter 44, Section 53E1/2</a></p> <p>“Local and regional cultural councils”  <a href="#">MGL Part I, Title II, Section 58</a></p> <p>“Recreation and park self-service revolving funds”  <a href="#">MGL: Par 1, Title VII, Chapter 44, Section 53D</a></p>

<b>Revolving Funds (cont.)</b>			
<i>Description</i>	<i>Restrictions</i>	<i>Allowances</i>	<i>Enabling Legislation</i>
	<ul style="list-style-type: none"> <li>• All interest generated from the fund goes into the municipality's general fund.</li> <li>• In some cases, it requires setting a cap on annual funding.</li> <li>• If revolving funds are used to pay wages or salaries for full-time employees must also cover the costs associated with the fringe benefits.</li> <li>• Sub-type of revolving funds includes "recreation and part self-service revolving funds" cannot be used for full time staff wages or salaries.</li> </ul>		

<b>Stabilization Funds</b>			
<i>Description</i>	<i>Restrictions</i>	<i>Allowances</i>	<i>Enabling Legislation</i>
Municipalities and districts can establish stabilization funds and appropriate any amount into the funds, which will include any generated interest. When creating the stabilization fund, the municipality or district must specify the purpose of the fund.		<ul style="list-style-type: none"> <li>The purpose of the fund can be altered for any lawful purpose without limitation.</li> </ul>	<p>“Stabilization funds”</p> <p><a href="#"><u>MGL Part I, Title VII, Chapter 40, Section 5B</u></a></p>
<b>Enterprise Funds</b>			
<i>Description</i>	<i>Restrictions</i>	<i>Allowances</i>	<i>Enabling Legislation</i>
<p>Enterprise funds are established for local enterprises, which can include utilities, school transportation services, cable television for public access, health care, recreational or transportation facility, and their operations.</p> <p>Income generated from these enterprises is deposited into a separate account.</p>	<ul style="list-style-type: none"> <li>There are limits to what can be defined as an enterprise.</li> <li>The estimated income and proposed budget are submitted to elected officials for approval.</li> <li>If income from enterprise is less than tax levy appropriation, the difference will be added to the tax levy.</li> </ul>	<ul style="list-style-type: none"> <li>When recreation facilities include space for arts and cultural activities, technically these funds are supporting cultural spaces.</li> <li>Funds can be used for facilities and their operations.</li> <li>The separate account for the enterprise fund can accrue interest in other accounts.</li> </ul>	<p>“Enterprise funds”</p> <p><a href="#"><u>MGL Part I, Title VII, Chapter 44, Section 53F1/2</u></a></p>

<b>Enterprise Funds (cont.)</b>			
<p>Enterprise funds are established for local enterprises, which can include utilities, school transportation services, cable television for public access, health care, recreational or transportation facility, and their operations.</p> <p>Income generated from these enterprises is deposited into a separate account.</p>	<ul style="list-style-type: none"> <li>• There are limits to what can be defined as an enterprise.</li> <li>• The estimated income and proposed budget are submitted to elected officials for approval.</li> <li>• If income from enterprise is less than tax levy appropriation, the difference will be added to the tax levy.</li> </ul>	<ul style="list-style-type: none"> <li>• When recreation facilities include space for arts and cultural activities, technically these funds are supporting cultural spaces.</li> <li>• Funds can be used for facilities and their operations.</li> <li>• The separate account for the enterprise fund can accrue interest in other accounts.</li> <li>• If the income is greater than the tax levy appropriation, excess will go to a separate reserve fund for capital expenditures for the enterprise or reduce user charges.</li> </ul>	<p>“Enterprise funds”  <a href="#"><u>MGL Part I, Title VII, Chapter 44, Section 53F1/2</u></a></p>

<b>Municipal Affordable Housing Trust Fund</b>			
<i>Description</i>	<i>Restrictions</i>	<i>Allowances</i>	<i>Enabling Legislation</i>
Municipal Affordable Housing Trust Funds are established locally to provide for the creation and preservation of affordable housing to benefit the moderate to low-income householders.	<ul style="list-style-type: none"> <li>• Must be governed by a board of trustees and local determination of the trust’s powers.</li> <li>• Not allowed for anything outside of affordable housing.</li> </ul>		<p>“Municipal Affordable Housing Trust Fund”</p> <p><a href="#"><u>MGL Part I, Title VII, Chapter 44, Section 55C</u></a></p>
<b>Community Preservation Fund</b>			
<i>Description</i>	<i>Restrictions</i>	<i>Allowances</i>	<i>Enabling Legislation</i>
Community Preservation funds are established locally with a surtax and state funds for affordable housing, historic preservation, open space and outdoor recreation investments.	<ul style="list-style-type: none"> <li>• Funds from the community preservation fund are reserved for the state allowed categories.</li> <li>• The Community Preservation Committee provides recommendations which are presented to legislative approval.</li> </ul>		<p>“Community Preservation”</p> <p><a href="#"><u>MGL: Part 1, Title VII, Chapter 44B</u></a></p>

<b>Special Account</b>			
<i>Description</i>	<i>Restrictions</i>	<i>Allowances</i>	<i>Enabling Legislation</i>
<p>Municipalities are able to establish a special account for obligations from a license, permit, or authorization required by a bylaw, ordinance, rule, regulation, or contract.</p> <p>Regulations need to include the</p> <ul style="list-style-type: none"> <li>• type of financial guarantee required.</li> <li>• treatment of investment earnings.</li> <li>• performance required and standards of determining satisfactory completion.</li> <li>• procedures applicant must follow to obtain a return of the monies or other security.</li> <li>• use of the money upon default.</li> <li>• any other reasonable rules or conditions to ensure compliance with obligation.</li> </ul>	<ul style="list-style-type: none"> <li>• Monies in accounts require authorization of a board, commission, department or officer without further appropriation.</li> </ul>		<p><u><a href="#">MGL Part I, Title VII, Chapter 44, Section 53G1/2</a></u></p>

## **Municipal Outreach**

MAPC conducted interviews with Somerville City Staff included the following individuals:

- Edward Bean, Finance Director and City Auditor
- Daniel Bartman, Director of Planning, Preservation & Zoning Division
- Sarah White, Senior Planner – Planning, Preservation, and Zoning
- Sarah Lewis, Senior Planner – Planning, Preservation, and Zoning
- Emily Hutchings, Senior Planner – Planning, Preservation, and Zoning
- Stephen Cary, Planner – Planning Preservation and Zoning
- Rachel Nadkarni, Director of Economic Development
- Ben Demers, Senior Planner – Economic Development and Staff Liaison to Somerville Redevelopment Authority
- Lisa Davidson, Director of Housing
- William Blackmer, Work Force Development Coordinator and Staff Liaison to JCRTF
- Roberta Cameron, Community Preservation Act Manager
- Nikki Spencer, Mayor’s Chief of Staff
- Neha Singh, Intergovernmental Affairs Director

## **MAPC Project Team**

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