

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
January 11, 2024 at 4:00 p.m.

Conducted via Zoom

Trustees Present via Zoom: Yi-An Huang, Chair; Teresa Cardosi, Bill Tibbs, Elaine DeRosa, Jim Stockard, Susan Schlesinger, Elaine Thorne

Trustees Absent: Alyson Stein, Florrie Darwin

Staff Present: Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Christine Yu, Associate Housing Development Planner; Anna Dolmatch, Senior Manager for Homeownership; Antonia Finley, Homebuyer Coordinator

Others Present via Zoom: Cate Leonard, Ashley Richardson, Adrienne Klein, Patricia Macher, Zelekash G-Selassie, Maggie McNally, Teferi Tadesse, Urszula Masny-Latos, Gregory Smutny, Junji Morokuma, Sandra Frith, Bau Bau Nance, Alysha Hearn, Freedom Baird, Nialah Edouazin, Vaibhav Pai, Lisa Blake, Judith Laguerre, Ted Nebus, Zhiyong Wang, Haregu Haile, Lara Plaskon, Shahrenaz Africawala, E Dunn, Undrella Holloman, Peter Payack, Ellie Schaffzin, Aimee Bonanno, Merrie Haile, Ayata Roberts, Kieaux Kimmon, Raffi Mardirosian, Banke Oluwole, Marianne Rezaei-Kamalabad, Pamela Howard, Nancy Pendergast, Pasang Lhamo, Lucile Chaurin Ablanedo, Remy Trahant, Barbara Brown, Natasha Pereira, Matias Stringa, Rachel Marolda, Catherine Melina, Sue Reinert, Elin Weeman, Lahcen Medhat, Kirsten Greco, Jan DeKenis, Lee Farris, Matthew Weeman, Ritza Cornet, Assayehgen Feleke, Wilson Pierre, Cal Wilnslow, Steven Shitemi, Desriviere Pierre, Gary Bechtold

Chris Cotter called the meeting to order at 4:01 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust is being held virtually pursuant to the temporary emergency orders currently in place, and that all meeting materials are listed online. All votes will be taken by roll call. The Trust will be holding public comment tonight regarding the topic on the agenda. Mr. Cotter coordinated to confirm that each Trust member was audible to each of the other Trust members.

MEETING MINUTES

Upon a motion moved and seconded, by roll call of seven in favor and two absent (Ms. Stein and Ms. Darwin) to approve the minutes for the meeting of December 7, 2023.

PROJECT UPDATE

52 New Street: JAS closed on construction financing in December 2023. Construction on the project is underway.

1627 Mass Ave: HRI completed its second Planning Board Design Advisory meeting in December 2023 and received a final Planning Board report soon afterwards. They are now working on assembling financing before construction.

87-101 Blanchard Road: This is a new AHO development near Belmont where B'nai B'rith is proposing over 100 affordable senior units. The first advisory design review meeting is scheduled for later this month.

121 Broadway: A new affordable housing covenant has been recorded for this property where 102 new inclusionary housing units will be built in Kendall Square.

NEW BUSINESS

Affordable Homeownership Program Changes

Chair Huang provided comments on the importance of this work regarding the proposed policies for the affordable homeownership programs. He commended the community for voicing their opinions as shared in the meeting materials. He suggested to the Trustees that they listen to public comment today.

Mr. Cotter gave an overview of the work that staff have done regarding the program changes. Since the Trust approved proposed recommendations for potential changes in April 2023, staff have been working to gather comments and feedback from owners of affordable homes to bring to the Trust for consideration before developing final recommendations for a vote. Information from a survey of owners and comments submitted by owners is included in the meeting materials. He noted that many owners have also joined the meeting today.

Upon a motion moved and seconded, by roll call of seven in favor and two absent (Ms. Stein and Ms. Darwin) to open the meeting to public comment.

PUBLIC COMMENT

Pasang Lhamo, 386 Rindge Ave, talked about asking the Trust to provide more help to homeowners in a variety of areas.

Catherine Melina, 167 Pleasant Street, asked for an update on the newly proposed changes.

Gregory Smutny, 36 Jefferson Street, commented that the participants in this program are more restricted than regular homeowners.

Ayata Roberts, 94 Gore Street, suggested allowing homeowners to move into bigger homes as their families grow.

Banke Oluwole, 77 Bolton Street, expressed support for the changes but commented that the issues around equity and inheritance should be further explored and also requested that owners receive more support.

Ted Nebus, 69 Bolton Street, expressed a favorable view of the proposed recommendations.

Kirsten Greco, 2103 Massachusetts Ave, requested additional support for owners; the ability to move to a larger home; and stated the proposed return is still conservative.

Jan DeKenis, 175 Richdale Ave, commented on wanting to avoid probate costs; inheritance for domestic partners; and the calculation of condo assessments for affordable units.

Adrienne Klein, 7 Beach Street, offered strong support for the proposed policy changes in the program.

Alysha Hearn, 165 Pleasant Street, commented that the proposed equity return is too low.

Shahenaz Africawala, Rindge Ave, expressed concerns regarding the lack of ability to move into larger unit sizes and the proposed requirement that those who inherit the house must be income eligible.

Assayehgen Feleke, 2835 Massachusetts Ave, commented that inheritance has become an issue in recent years and supports being able to move into larger homes as their family size grows.

Ritza Cornet commented that the proposed equity number is too low and unfair because it does not align with the rise of inflation or the increase in the minimum wage.

Steven Shitemi, 4141 Walden Street, proposed giving additional return if children were over-income for inheritance.

Freedom Baird, 20 Read Street, commented she had benefited from the affordable homeownership program but the equity return is a struggle.

Nancy Pendergast, 48 Harvey Street, expressed gratitude for the proposed increase in equity and wants her home to go to another family that needs it.

Pamela Howard expressed support for more support for owners, particularly around condo participation.

Natasha Pereira spoke on behalf of her mother and expressed the challenges of being a homeowner in this program and requested more resources for dealing with condo issues.

Upon a motion moved and seconded, by roll call of seven in favor and two absent (Ms. Stein and Ms. Darwin) to close public comment.

Update from Staff

Ms. Dolmatch provided a presentation summarizing the program review process to date and the proposed recommendations approved by the Trust in April 2023. The presentation included a summary of the recommendation for a new "resale formula", or how units increase in value, and options for an expanded inheritance policy. The presentation clarified certain ongoing requirements that the Trust cannot alter. These include the requirement that units remain subject to a restriction; the price cannot increase to become unaffordable to income-eligible buyers; and, that no unit can be transferred to a new owner who is not income-eligible, even through inheritance.

The presentation also discussed potential financial impacts of changes to the program terms. These may include an increased need for Trust subsidy to maintain the stock and continue to offer affordable resale units, as well as a potential need to invest more in creating ownership opportunities if an inheritance

option reduces the number of units available to households who are waiting to become homeowners in Cambridge.

Ms. Dolmatch shared information from a survey of all current owners on reactions to the proposed recommendations. Approximately 23% of current owners participated in the survey. Respondents reflected the range of owners across length of tenure, unit size, and demographics. It was noted that there are additional stakeholders beyond current owners in the program, and there are more Cambridge residents waiting for these homes than are owners. While the process has consistently sought input from current participants, the needs of the wider community should be balanced with the views of these owners.

Survey results showed that the majority of respondents agreed that the change would give a fair return to owners. Respondents felt neutral about the future affordability of homes. Most respondents agreed that the value formula is easy to understand. Mr. Stockard asked if people were asked if they would be more likely to sell their home and buy a market home anywhere or in Cambridge. Ms. Dolmatch clarified that the survey did not specify, but staff have heard anecdotally that many people have expressed if they want to move, Cambridge will be too expensive for them.

Mr. Tibbs asked if current participants of these programs would have to opt into the new changes, to which Ms. Dolmatch emphasized that the current restriction cannot be changed without the consent of the current owner. Any new terms would apply to new owners going forward and would be available to current owners who opt in.

Ms. Dolmatch continued with a summary of the inheritance survey responses. The vast majority of respondents supported a policy of allowing only immediate family to inherit the home. Mr. Stockard asked if heirs have to be in the owner's will. Ms. Dolmatch answered that the mechanics of how inheritance might work would be developed with the Law Department once a policy was adopted. Mr. Tibbs mentioned that what is allowed in a will can conflict with what the program allows. It was confirmed that any transfer through inheritance that violated the restriction would require corrective action of the violation through a sale or other action.

Ms. Dolmatch noted that more than 70% of respondents answered that they know who they would select to leave their home to. Only 1% of those would select someone who is not either a family member or a member of the household.

Trust members were shown draft options for parameters on who could inherit an affordable unit and remain as an owner-occupant. These options were based on the Trust's priorities for an inheritance policy to prevent displacement of the household when an owner passes away and to provide a path for those who grew up in these homes to remain or return.

At the conclusion of Ms. Dolmatch's presentation, Ms. Schlesinger noted that it is important to provide owners with clarity on what it means to be a homeowner and the expectations for maintenance and other responsibilities. Mr. Tibbs commented that more can be done to remind people about the affordability requirements of the program. Ms. DeRosa agreed that there needs to be ongoing education to remind people of the purpose of the program.

Ms. Cardosi asked about what would happen if a unit went into foreclosure. Mr. Cotter answered that it's a complicated answer and depends on the specifics of the affordability restriction for the unit. Staff

first make efforts to work with owners to help them understand their options. The City cannot prevent a lender or condo association from exercising their right to foreclose for non-payment. However, in rare cases where a foreclosure happens, the City takes steps to preserve the affordability.

Ms. Dolmatch provided options for next steps for the Trust, including further discussion happening in the next meeting. Mr. Cotter asked for initial thoughts on what would be most helpful for the Trustees. Trustees requested that staff draft vote language item based on the proposed recommendations and bring that to the next meeting.

ADJOURNMENT

Upon a motion moved and seconded, by roll call of six in favor and three absent (Ms. Stein, Ms. Schlesinger, and Ms. Darwin) to adjourn the meeting.

The meeting adjourned at 5:52 p.m.

The next meeting is scheduled for January 25, 2024 at 4:00 p.m.

Meeting Materials:

- Agenda
- Minutes from the Trust's December 7, 2023 meeting
- Project Update
- Homeownership Program Review for CAHT Presentation
- Homeownership Written Comments for January 11, 2024 CAHT Meeting
- Homeownership Survey on Proposed Recommendations – Comment Section