



CITY OF CAMBRIDGE
Community Development Department

IRAM FAROOQ

Assistant City Manager for
Community Development

SANDRA CLARKE

Deputy Director
Chief of Administration

KHALIL MOGASSABI

Deputy Director
Chief of Planning

Affordable Housing Trust

June 22, 2023, 4:00 p.m.

City Hall Annex, 344 Broadway, 4th Floor
Cambridge, Massachusetts

OR

[Webinar Registration - Zoom](#)

To participate in this meeting through the Zoom video meeting platform, please register using this [link](#) in advance of the meeting.

AGENDA

- Review of Meeting Minutes
- Update from the Community Development Department
- Request for Annual Appropriations for FY2024: CDD is requesting \$707,615 to support non-profit housing providers affordable housing preservation and development programs, CDD Housing Division staff, and CDD Housing Division program operations in FY2024
- Adjournment

344 Broadway
Cambridge, MA 02139
Voice: 617 349-4600
Fax: 617 349-4669
TTY: 617 349-4621
www.cambridgema.gov

Members of the public can provide written comments to the Affordable Housing Trust by email sent to ccotter@cambridgema.gov, or by delivery to the CDD office, by 5:00 P.M. the day before the meeting.

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
May 25, 2023 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Yi-An Huang, Chair; Peter Daly, Florrie Darwin, Elaine Thorne, Jim Stockard, Bill Tibbs, Susan Schlesinger, Elaine DeRosa

Trustees Absent: Gwen Noyes

Staff Present via Zoom: Iram Farooq, Assistant City Manager for Community Development; Cassie Arnaud, Senior Manager for Housing Development; Janet Haines, Housing Planner; Christine Yu, Associate Housing Development Planner

Others Present via Zoom: Aazam, Adrienne Klein, Benadette Manning, Carl Wilson, Wendy, McLaughlin, Lee Farris, Cynthia Brown, Lisa Oliver

The meeting was called to order at 4:04 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust would be held virtually pursuant to applicable requirements, that all votes would be taken by roll call, and that there would be no public comment. He then confirmed via roll call that each participant was audible to each of the other Trust members.

MEETING MINUTES

Upon a motion moved and seconded, by roll call of eight in favor and one absent (Ms. Noyes) to approve the minutes for the meeting of Thursday, April 27, 2023.

PROJECT UPDATE

HomeBridge: 7 buyers have been approved this month and 15 resale units are in process.

52 New Street: JAS is preparing for construction closing; expected to close in the summer.

JP Federal: CHA is preparing for construction closing; expected to close in the late summer/fall.

1627 Mass Ave: HRI had their second AHO community meeting in April and are preparing to present their plans to the Planning Board for advisory design review.

Park View Cooperative: Work is underway and proceeding well.

Rindge Commons Phase 1: Construction is underway and proceeding well.

116 Norfolk Street: Construction is underway and proceeding well.

Walden Square: Winn Development is preparing for a community meeting soon to share their plans for their proposed Walden Sq II AHO development.

Inclusionary: Staff is finishing the review of 121 Broadway, which will have over 100 affordable housing rental units.

OTHER UPDATES

Homeownership Program: Staff will be reaching out to homeowners for policy feedback and will be talking to the Law Department on legal implications.

City Budget: The proposed FY24 budget is out now. The total estimated funding for the Affordable Housing Trust is \$39.5 million.

Chair Huang provided an overview of this year's city budget process and how the City needs to balance all the opportunities and tradeoffs. Councilors have expressed a deep need to financially support more affordable housing projects. Trustee DeRosa asked how the City Manager will facilitate deeper budget conversations with the Council. Chair Huang answered that there needs to be more framing contexts to the conversations to ensure that the City's money is being used in the most effective way.

Trustee Tibbs acknowledged how the Trust might do a better job with getting more involved and creating housing strategies with the City Council. Trustee Stockard commented that processes need to be more educational for Cambridge residents. Trustee Daly mentioned how the slowness from the federal government impacts the City's work. Trustee Schlesinger brought up the City's housing goals and how the City has lost a portion of middle-class residents in the last few years.

Community Preservation Act funding update

Mr. Cotter mentioned that the Community Preservation Act funding allocation process is getting underway soon. The CPA Committee has a meeting scheduled on May 31, 2023 to hear ideas from the community regarding how to recommend allocating this year's available CPA funding among affordable housing, open space and historic preservation. To date, the maximum 80% of CPA funds have been allocated to the Trust for affordable housing.

Cherry Street: Housing Staff are working with the Purchasing Department to finalize the Cherry Street Request For Proposal which has been updated to reflect comments and input from the Trust on the draft RFP presented at an earlier Trust meeting.

NEW BUSINESS

Neville Place

Mr. Cotter introduced a request from Neville Community Inc (NCI) for up to \$2,445,000 to address capital needs at Neville Place assisted living. Mr. Cotter provided background on Neville Place and the City of Cambridge, including the City's previous funding and involvement, the City and Trust's representation on the Neville Board of Directors, and current financial challenges. Staff have looked at Neville Place's short-term and long-term financials, its mission and goals, and its challenges and had a range of questions for NCI, such as who they are serving, what the waiting list looks like, and how Neville Place will financially support itself in the future.

Mr. Cotter proposed continuing conversations with Neville Place to ensure its stability and creating a task force specifically for this project. Staff is recommending that the Trust approve of Neville Place's funding request subject to meeting conditions set out in the memo including setting up a task force to look at need and resident selection and how best to use of available project based vouchers.

Trustee Darwin asked why some of the vouchers were not used. Mr. Cotter answered that there were eligibility issues that some applicants were not able to meet. Getting help for applicants to meet the eligibility requirements is an area staff have discussed with Neville Place. Trustee Stockard reminded everyone that the cost of housing and services are quite high, and that vouchers can only be used for housing. He proposed that there needs to be a streamlined process that makes it clear and easy for applicants to get financial support. Trustee Darwin asked if today's funding request will go towards services. Mr. Cotter answered no. Many Trustees expressed support to fund Neville Place and thanked the staff for their work.

Upon a motion moved and seconded, by a roll call of eight in favor (Mr. Huang, Ms. Thorne, Mr. Daly, Ms. Darwin, Ms. DeRosa, Ms. Schlesinger, Mr. Stockard, Mr. Tibbs) and one absent (Ms. Noyes), it was:

VOTED: To approve the request of \$2,445,000 in Trust financing to address immediate capital repairs and expected capital needs at Neville Place over the next five years, as outlined and subject to the terms and conditions set out in the Trust meeting materials.

Mr. Cotter mentioned that the next Trust meeting may be in-person, but staff will reach out to the Trust later to confirm.

Upon a motion moved, seconded, and approved by a roll call of eight in favor with one absent (Ms. Noyes) to adjourn the meeting.

The meeting adjourned at 4:54 p.m.

The next meeting is scheduled for June 22, 2023 at 4:00 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's April 27, 2023 meeting
- Project Update
- Neville Place Memo

Cambridge Affordable Housing Trust

June 22, 2023

Status of Active Commitments

	Active Projects	Sponsor	Rental Units	Ownership Units	Status	Total Cost	Trust Commitment	Loan Amount Per Unit	Trust Approval Date
1.	HomeBridge program	CDD	currently approved buyers:	8	89 scattered site units purchased by first time buyers to-date. Program expansion up to 120% AMI now active.	N/A	\$24,200,000	1-br: 40% sale 2-br: 45% sale 3-br: 50% sale	several, including most recent: February 2023
2.	Homeownership Resale Program	CDD	currently active units:	17	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers. Two units under agreement; sale anticipated in July.	N/A	\$7,500,000		December 2011
3.	Vail Court (139 Bishop Allen)	TBD	TBD	TBD	Trust and City hosted public meeting in 2017 to hear from the community on affordable housing needs and ideas for the redevelopment of Vail Court. Additional public meetings will be scheduled but are currently on hold pending the legal action taken by former owner.	TBD	TBD	TBD	N/A
4.	2072 Mass. Ave.	Capstone Hope	TBD	TBD	Capstone/Hope purchased site in April 2018 and sought a comprehensive permit to enable the construction of a new 48 unit affordable housing building but withdrew their request at the September 2021 BZA hearing; they remain committed to creating affordable housing at this site and are assessing next steps and options.	TBD	\$5,071,000	TBD	February 2018 and June 2021
5.	52 New Street	JAS	107		JAS purchased the site in early 2020 and is permitting the project through the Affordable Housing Overlay. After JAS held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 10/16/21, and again on 1/4/22. A final Planning Board report has since been issued. The Trust increased its predevelopment loan for the project in January 2022. JAS is preparing for construction closing this summer.	TBD	\$18,025,390	\$168,462	October 2019, June 2021, January 2022
6.	Park View Coop (24-26 Corporal McTernan Street)	Park View Coop		12	Funds committed May 2021; closing completed October 2022; renovations underway; first stack of units completed.	\$4,986,321	\$4,199,215	\$349,935	March 2019 and May 2021
7.	Rindge Commons - Phase 1 (site of 402 Rindge Ave)	JAS	24		In June 2020, the Trust approved funding for the first phase of Rindge Commons. Project received a comprehensive permit in August 2020 and began construction in June 2022. The CAHT loan at closing was \$3,706,358 or \$154,444 per unit. This is a \$543,342 reduction from the original loan commitment. Construction is underway.	\$17,307,771	\$4,250,000	\$177,083	June 2020
8.	Broadway Park (240 Broadway)	JAS		15	In March 2021, the Trust approved funding to create 15 affordable homeownership units. JAS has had several community meetings to review its proposal and expects to seek a comprehensive permit for this development. JAS also will be seeking to assemble remaining funding needed for this development.	TBD	\$3,600,000	\$240,000	March 2021
9.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)	CHA	278		In September 2021, the Trust approved funding to assist with the comprehensive modernization of Jefferson Park Federal. After the CHA held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 11/9/21, and again on 2/15/22. A final Planning Board report has since been issued. The CHA has begun preparing to close on construction, now expected to begin in late summer 2023.	TBD	\$43,611,615	\$156,876	September 2021
10.	35 Harvey Street	HRI / Cascap	12		In November 2021, the Trust approved funding to assist with the renovation and reconfiguration of Harvey Street from SROs to studio apartments. DHCD funding award was announced in July, and HRI is in the process of assembling the remaining financing needed, with a goal of beginning construction in the coming months.	TBD	\$3,339,437	\$243,139	November 2021
11.	1627 Mass. Ave.	HRI	TBD	TBD	In January 2022, the Trust approved funding to assist with the purchase of this property from Lesley University to create affordable housing. The Trust approved additional predevelopment funding in August 2022. HRI acquired the site in August 2022 and held first AHO Community meeting on 9/15/22. Second community meeting held 3/15/22. First advisory design consultation with Planning Board scheduled for 7/11/23.	TBD	\$7,925,000	TBD	January 2022 and August 2022
12.	116 Norfolk Street	CHA	62		In August 2022, the Trust approved funding to assist in the renovation and expansion of an existing 38-unit SRO to create 62 studio apartments for individuals moving beyond homelessness. CHA completed AHO advisory design review in late 2022 and closed on funding in December 2022; construction is underway	TBD	\$10,161,150	\$163,890	August 2022
13.	35 Cherry Street	TBD	TBD	TBD	In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. Transfer from MIT complete. RFP draft presented to Trust in March 2023 for review and comment. RFP now being finalized, incorporating comments from Trust and Purchasing Department.	TBD	TBD	TBD	March 2022
14.	49 Sixth Street	POAH	46		In October 2022, the Trust approved funding to assist in the conversion of a portion of the Sacred Heart church property to affordable housing. POAH has completed the AHO process. POAH is assembling remaining financing with a goal of beginning construction in early 2024.	TBD	\$7,750,000	\$168,478	October 2022
15.	650 Concord Ave	Neville Communities Inc (NCI)	71		In May 2023, the Trust approved funding to assist with capital repairs at Neville Place, the affordable assisted living portion of its campus. NCI is also refinancing its existing maturing mortgage.	\$2,445,000	\$2,445,000	\$34,437	May 2023

Total Units 652

Cambridge Affordable Housing Trust

Status of Affordable Housing Overlay (AHO) Developments

	AHO Development	Developer	AHO Status & Activity	Rental Units	Ownership Units	Development Status
1.	52 New Street	Just-A-Start Corporation	AHO Community meetings held on 2/25/21, 3/25/21, and 4/15/21. Planning Board design consultation held on 10/26/21 and 1/4/22. Design consultation completed January 2022; Final Planning Board report issued 1/20/22 and was transmitted to the Trust in its 1/27/22 briefing materials. Preparing for construction closing.	107		Design Consultation Complete; see above
2.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)	Cambridge Housing Authority	AHO Community meetings held on 3/2/21, 4/1/21, and 10/19/21. Planning Board design consultation held 11/9/21 and 2/15/22. Final Planning Board report issued 3/9/22 transmitted to the Trust in its 3/24/22 briefing materials. Preparing for construction closing.	278		Design Consultation Complete; see above

3.	Walden Square II (102 Sherman Street)	WinnDevelopment Companies	AHO Community meetings held on 3/23/21, 4/13/21 and 5/27/21. Submission for first Planning Board advisory design consultation was withdrawn by developer on 11/16/21. Design revised based on community comments. Community meeting held 2/23/22. Winn has scheduled another AHO community meeting on 7/12/23 to update the community on their plan and proposed design.	~102		Original submission withdrawn; community meetings underway
4.	49 6th Street	POAH & Urban Spaces	AHO Community meetings held on 7/27/21 and 11/3/21. First Planning Board advisory design consultation meeting held 4/5/22. Second design consultation meeting was held on 6/28/22; Planning Board report issued 7/14/22 and transmitted to the Trust on 8/4/2022. Assembling remaining funding needed to begin construction.	46		Design Consultation Complete; see above
5.	116 Norfolk Street	Cambridge Housing Authority	First AHO community meeting held 2/10/22. Second community meeting held 4/26/22. First Planning Board advisory design consultation meeting was held on 7/5/22. Second advisory design consultation held 9/13/22. Planning Board report issued on 10/28/22 and transmitted to the Trust on 11/17/2022. Closed 12/2022; under construction.	6		Design Consultation Complete; see above
6.	1627 Mass. Ave.	Homeowner's Rehab Inc	First AHO community meeting held 9/15/22. Second community held 3/15/23. First advisory design consultation with Planning Board scheduled for 7/11/23.	TBD		Community meetings underway.

Status of Active Inclusionary Housing Developments

	Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	50 Cambridgepark Drive	Hanover	Covenant recorded 8/6/19. Building Permit issued 12-5-19. Construction complete. Finishing tenant selection.	55		Revised ordinance at 20% sf requirement
2.	95-99 Elmwood	95-99 Realty	Covenant recorded. Building Permit issued 7-2-20. Under construction. Preparing to offer new units through lottery application.		4	Ordinance prior to revision
3.	Cambridge Crossing, 151 North First Street	DivcoWest	Covenant recorded; Building Permit issued 8-24-20. Construction complete. Finishing tenant selection.	54		Ordinance prior to revision
4.	55 Wheeler Street	Toll Brothers	Covenant recorded 3/12/21. Building Permit issued 3/16/21. Under Construction. Completion of first phase of units expected soon; preparing for tenant selection.	99		Revised ordinance at 20% sf requirement
5.	40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded. Building Permit issued. Under construction	48		All units are affordable
6.	605 Concord Ave.	Abodez Acorn	Covenant recorded; Building Permit issued 12/9/21. Under Construction.	7		Revised ordinance at 15% sf requirement
7.	3-5 Linnaean	Willow Land Corp.	Covenant recorded; Building Permit issued.	1		Zoning for basement housing overlay
8.	1043-1059 Cambridge St.	418 Real Estate	Covenant recorded. Building permit issued 7/11/22. Under construction. Completion expected Fall 2023.		3	Revised ordinance at 20% sf requirement

Under Development:	264	7
Completed Units:	1015	211
All Units:	1279	218
	<hr/>	
	1497	

	Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	121 Broadway	Boston Properties	IHP Plan under review.	~102: 81 (inclusionary), 21 (middle income)		MXD zoning - 20% Inclusionary + 5% Middle-income



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MEMORANDUM

To: Cambridge Affordable Housing Trust
From: Christopher Cotter, Housing Director
Date: June 22, 2023
Re: Request for Annual Appropriations for FY2024

As the beginning of the new fiscal year approaches, we are requesting a commitment of \$707,615 in Trust funds from the City’s budget funds. Funding will be used in FY2024 for housing preservation and development contracts with Homeowner’s Rehab, Inc. and Just-A-Start and operating support for CDD’s Housing Division.

Non-Profit Housing Preservation & Development

Non-Profit Agency Contracts:

For FY2024, we are requesting \$445,115 in support for Homeowner's Rehab, Inc. (HRI) and Just A Start Corporation (JAS) to be used to support their efforts to develop and preserve affordable rental and homeownership housing in Cambridge. This funding is provided in addition significant funding provided by the Trust to each agency for specific affordable housing developments.

The following table summarizes the funding being requested to support each agency's housing development and preservation work in FY2024, as well as what was approved for FY2023:

	<u>FY2023</u>	<u>FY2024</u>
Just A Start	\$191,767	\$191,767
Homeowner’s Rehab, Inc.	\$253,348	\$253,348
Total – Housing Pres. & Dev. Contracts	\$445,115	\$445,115

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For FY2024, we are maintaining the approach taken in recent years and requesting that the Trust fully fund the non-profit development contracts, while both HOME and CDBG funding will remain available to assist directly with affordable housing development and preservation efforts. In addition, CDBG funds will continue to be used to fund other City housing programs including

the home improvement programs run by HRI and JAS, CEOC’s tenant organizing work, and JAS’ Mediation Services and Youthbuild programs.

Expiring-use Funding:

In addition, we are also requesting \$40,000 in funding for expiring-use preservation work including assistance in oversight of compliance with funding and affordability requirements at Fresh Pond Apartments as well as other activities. .

	<u>FY2023</u>	<u>FY2024</u>
Expiring Use Consulting	\$40,000	\$40,000

CDD Housing Division Staffing and Programs

CDD Staffing:

Since 2017, the Trust has provided funding to support CDD staffing for housing development and preservation work. The funding provided by the Trust has funded one full-time staff position and one part-time intern position. This Trust-funded staffing is in addition to the current 17.5 full-time positions in the Housing Division which are funded by the City.

For FY2024 we are requesting \$150,000 which will continue funding for one full time position in the Housing Division and one part-time intern position. The following table summarizes the funding provided in FY2023 and the funding being requested for FY2024:

	<u>FY2023</u>	<u>FY2024</u>
CDD Staffing	\$150,000	\$150,000

Homeownership Management Software:

In FY2024, we are requesting \$15,000 in funding to cover the cost of our homeownership management software. This system is used for the ongoing management of the homeownership portfolio, including homeowners, applications, affordability restrictions, unit turnover, and financial management of the program. This request is unchanged from the amount that was approved in FY2023:

	<u>FY2023</u>	<u>FY2024</u>
Homeownership Management Software	\$15,000	\$15,000

Legal Services and Administrative Costs:

For FY2024, we are requesting \$50,000 for the CDD's real estate legal services, which includes funding needed to work with new attorneys to assist with our legal services. In FY23, CDD transitioned its legal services to new outside attorneys and has separated services to support affordable housing development and preservation from services supporting the affordable homeownership program.

We are also requesting \$7,500 for miscellaneous administrative items. These amounts have increased from FY2023:

	<u>FY2023</u>	<u>FY2024</u>
Legal Services	\$25,000	\$50,000
Administrative Costs	\$7,500	\$7,500

Recommendation: Staff recommends that the Trust approve the following funds for FY2024 affordable housing efforts as outlined herein:

Non-profit Housing Preservation & Development	\$445,115
Expiring Use Preservation Funding	\$40,000
CDD Staffing	\$150,000
Homeownership Software	\$15,000
Legal Services	\$50,000
Miscellaneous / Administrative	\$7,500
TOTAL:	\$707,615