

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
May 28, 2015

City Manager's Office, City Hall
795 Massachusetts Ave.

Trustees Present: Richard Rossi, Chair; Peter Daly, Michael Haran, Gwen Noyes, Cheryl-Ann Pizza-Zeoli, Susan Schlesinger, James Stockard; Bill Tibbs

Trustees Absent: Florrie Darwin

Staff Present: Iram Farooq, Acting Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Anna Dolmatch, Housing Planner; Linda Prosnitz, Housing Planner;

Others Present: Peter Graham; Andre White

The meeting was called to order at 4:04.

Upon a motion moved and seconded, it was voted to approve the minutes from the March 18, 2015 meeting.

PROJECT UPDATE –

Briston Arms – POAH is expected to purchase the property in June.

463 Cambridge Street - HRI purchased the building in March. They have submitted an application to the state for rental funds.

Jefferson Park State Public Housing – Asbestos removal and demolition have begun. Construction closing is expected in late summer or early fall.

Putnam Square/2 Mt Auburn – Rehab is approximately 90% complete.

131 Harvard Street/Port Landing – Closing on tax credits and other financing sources is scheduled for July 2015. The building permit application is in.

Bishop Allen Apartments (aka Norstin) – The third building is under construction.

Temple Place Apartments – Construction is ongoing with anticipated completion in summer.

NEW BUSINESS

Goal Setting for Affordable Housing Production

The City Council has requested input from staff on the feasibility of the City committing to create 1,000 new affordable housing units by 2020. This idea was previously discussed at a March 2015 Trust meeting.

Staff prepared a memo outlining past performance and production projections connected to MAPC's published projections. The Trust was asked to give their ideas for a production goal, as well as what would be needed to achieve that goal. The role of different production methods, including Inclusionary and Trust-funded housing, as well as resource constraints were discussed. In addition, the challenge of limited site availability and the competitive market were laid out as obstacles to achieving an aggressive production goal.

Trust members discussed whether the production goal should be achievable, given the above constraints, or more aspirational, with the goal of motivating other stakeholders to make changes that would support more affordable housing production.

Members asked how much land was currently owned by the City, and therefore may be easier to acquire for affordable housing. Staff noted that there are the parking lots in Central Square, the small lot on Cherry Street, and the site on Hampshire Street where DPW is currently located. It was noted that the DPW site requires demo that could be expensive. In addition, that site will not be available until DPW is relocated, which could be a lengthy process.

CDD staff stated that there was a lot of interest in the Central Square lots from many stakeholders, and there would be a public process to determine what would happen at those sites. Housing will be only one competing use, so the ability to develop affordable units on these sites may be constrained.

Trust members suggested that instead of focusing on specific production, the goal setting could be used as an opportunity to tell the council what is needed to increase production - that whatever the goal is, it could be described in the context of what is needed to achieve it, including potential changes to Incentive Zoning, Inclusionary Zoning, City-wide affordable housing zoning, funding sources, tax relief, City-owned sites. Creating a list of what would be needed to go along with any goal recommendation might be useful for the City Council to see.

Others concurred, stating that in addition to a target number, the Council needs to know what they need to do, and create political support for the changes that are needed, including the need to develop new strategies to acquire sites, including the affordable housing overlay the Trust has previously discussed.

CDD staff noted that the overwhelming preservation needs had been the priority in the past few years, so production of new units has slowed. Trust members stated that it would be good to show how the new goal would compare to what has been created in the past few years to illustrate the order of magnitude change required to achieve it. Others noted that preservation will always have to be a priority, because there is no benefit in losing existing units while you are trying to create new ones.

Trust members and staff then discussed potential property tax incentives for affordable housing, including Tax Increment Financing (TIF) models from New York City and Boston. City staff noted that any tax changes would need to be vetted by the Assessing Department. The impact on taxpayers would need to be fully understood.

Trustees reiterated that there is a kit of tools needed to create more affordable housing units, and the Council needs to know what they have the ability to change. It was noted that this was an optimal time to discuss these changes, as the City-wide master planning process was beginning. Trustees discussed how it would be important for the Council to understand everyone's role, and the Trust would be happy to be a part of discussions about proposals. Trust members discussed the need to inform the Council of the potential impacts of certain changes, and what trade-offs need to be made to increase production.

Other Trust members noted that a numeric goal was not the whole story, noting that non-profit developers would need more support to increase production compared to increases in other sources such as Inclusionary.

Staff noted that other discussions underway could have a large impact on this issue. The Volpe parcel rezoning is looking at using a square footage requirement versus a unit requirement to meet the affordable housing percentage, allowing the creation of larger units than what will be created for the market.

Trust members discussed a previous affordable housing goal that was set at the end of rent control, noting that the specific number goal was less important than the role of the goal in creating momentum for affordable housing production. It was noted that the Trust needed to do to create more useful guidance for staff and developers on what projects the Trust would prefer to fund.

In addition to more specific guidelines, Trust members also discussed the need for the Trust to move more quickly to support acquisition of sites in this competitive market. One idea was creating an acquisition line of credit that could be committed without full Trust approval. This fund could be overseen by a smaller subcommittee of Trust members.

Staff mentioned potentially using Trust funds to purchase additional affordability in market-rate buildings. While this could create units without having to acquire new sites, there are concerns that no other funds would be leveraged for these purchases. In addition, in this market the costs are high to subsidize affordability in these projects.

Trust members discussed their desire to work with the Planning Board so that they are aware of the Trust's positions as they look at proposals such as Volpe and the Incentive Zoning Ordinance changes that impact affordable housing. Rich Rossi and staff committed to setting up a roundtable for the Trust and the Planning Board. Trust members also requested an additional meeting with the BZA. It was determined that this will be a separate meeting, and the Planning Board meeting will occur first. Staff will inform the Trust when the roundtable is scheduled.

Zoning for Affordable Housing

Staff presented an update on ideas for zoning to encourage affordable housing production. A preliminary exercise asked affordable housing developers to look at some actual parcels that have recently sold, and given the acquisition price, to determine what density they would need to build to make those parcels feasible for all-affordable development.

Based on that feedback, staff developed a set of preliminary basic development standards that could increase the feasibility of acquiring sites on the open market for development of affordable housing. The focus of this first step was FAR, lot area per dwelling unit, parking

and height. Setbacks, open space, and other detailed dimensional standards will be developed at a later stage. In addition to dimensional changes, there was a consensus among staff and developers that a clear path to permitting was an essential element of supporting affordable housing development.

Trust members stated that they believe that a zoning overlay could be helpful and that visualizing the density was important. Staff stated that creating models of potential projects was one of the next steps in the process. This would assist in getting residents to support density.

Rich Rossi stated that the Volpe zoning could provide a demonstration of dense development. Others pointed out that much of Cambridge is non-conforming to current zoning, and is in fact much denser than the current standards allow and recommended using examples of desirable neighborhoods to show that they are dense. Trust members stated that they believe that people are concerned that density will lower their property values and residents need to see a visual of what the community could look like.

Trust members recommended engaging an urban design consultant to assist with this process. The goal would be to create a visualization of increased density, with examples of both the density already in Cambridge and potential developments under the proposed zoning changes.

The Trust raised the issue of whether the proposed changes would be an overlay for certain parts of the City, or applied City-wide for affordable developers. Staff stated that while the proposed density standards might not be an increase in certain parts of the city, the “clear path to permitting” would benefit projects throughout Cambridge and would be best if available city-wide. Staff are developing standards that could be considered city-wide or in certain areas through an overlay district.

The issue of how to incorporate design review into an as-of-right permitting scenario was discussed. There would need to be a control point for design that would require some review. Options include an advisory review by the Planning Board or review by CDD staff.

Trust members stated that for next steps, they would like to know how many sites might be made feasible by this type of overlay. In addition, they wanted to know how the overlay would affect the ability to get more density in existing buildings. Staff will report back on these and other questions raised during the discussion.

OTHER BUSINESS

Staff further discussed the ongoing zoning process for the Volpe Transportation building site, currently owned by the Federal Government. The Federal Government has given permission for a trade of land to a developer in exchange for the construction of a new office building for the Transportation Department workers currently located at the site. In conjunction with that, the City is looking to rezone prior to the issuance of an RFQ. Trust members noted that they have not given input into the housing portion of the proposed zoning, and they would like to weigh in.

It was suggested that a memo from the Trust to the Planning Board responding to the proposed affordable housing provisions of the zoning would be helpful. Staff agreed to send out the information on the affordable housing proposal to the Trust and a memo would be

drafted. The timing of the memo was discussed, including whether a draft of the Inclusionary Zoning study would be available to inform the Volpe process. Staff stated that a draft memo will be prepared and circulated to the Trust.

The meeting adjourned at 5:30. The next meeting is scheduled for Thursday, June 25 at 4 p.m.

OTHER MATERIALS

- Meeting Minutes from the Trust's March 18, 2015 meeting
- Project Update