

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
June 23, 2016

Ackerman Room, Cambridge City Hall
795 Massachusetts Ave.

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

Trustees Absent: James Stockard

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

Other Attendees: Michael Brandon; Elaine DeRosa; Robert MacArthur; James Williamson

The meeting was called to order at 4:05.

Upon a motion moved and seconded, it was

VOTED: To approve the minutes for the meeting of Thursday, May 26, 2016 as submitted.

PROJECT UPDATE –

Briston Arms – Renovation is ongoing and is on track for completion in summer 2016.

463 Cambridge Street - Closing on the DHCD funds is in process and expected in July.

Jefferson Park State Public Housing – Relocation and demolition are complete. Construction is underway.

131 Harvard Street/Port Landing – Applicant lottery was held on June 20. There were more than 400 applications for 12 units in the lottery, and more than 700 from applicants in the 30-50% AMI bracket who were not eligible for those units. Other units there will be filled through CHA lists. Occupancy is expected in the fall.

OLD BUSINESS – UPDATES

Trust members discussed the demand for affordable rental housing at different income levels. The response to the Port Landing units demonstrates ongoing strong demand and the low- and very low-income levels.

Trust members also discussed the potential funding expected from the recently-passed increase in the Incentive Zoning rate. Staff stated that while the rate is higher and funds should increase, it is not expected not approach the levels of CPA funding. The receipt of funds will also not be predictable and will be based on market economic cycles. Trust

members requested that a future meeting provide a financial update, including some projections for funding from the Incentive ordinance.

Rich Rossi discussed the option of working with market-rate developers to purchase additional affordable units beyond the Inclusionary requirement. The Mass + Main project has the option for the purchase of up to three additional units, but the price must be negotiated with the developer. If the price is not feasible, the Trust can decline to purchase. The agreement is that the Trust will make the final decision based on what is offered by the developer.

NEW BUSINESS – ANNUAL CONTRACTS

Expiring Use Preservation

Staff presented a request for \$20,000 for the Fiscal Year 2017 funding to support ongoing efforts to preserve expiring use properties. These funds will be used for activities including early-stage analyses such as appraisals and capital needs assessments, as well as consulting services.

To date, eight at-risk expiring use properties have been preserved, totaling more than 529 affordable units. The commitment of resources for early analyses of these properties is critical to successful preservation. Remaining expiring use properties include the 504-unit Fresh Pond Apartments.

Staff also discussed the current activities at Linwood Court. While Linwood Court has a long-term affordability restriction through the Trust, there are some older restrictions that are expiring. This will impact some of the income limits at the property. Just A Start is meeting with residents to discuss these changes. They are also looking at options to do a combined refinance with the Squirrel Brand building to create a combined tax-credit project.

Staff provided the Trust with an update on the recently revised emergency 40T regulations that address the sale of properties with expiring affordability restrictions. The state has proposed updated regulations for review and comment. The changes to the regulations include adding an extended affordability requirement for properties purchased under exemptions to the regulations. In previous iterations, a new buyer purchasing a property through an “exempt” sale (where affordability is maintained and 40T mechanisms are therefore not necessary) was only required to honor the existing affordability term. The new regulations propose requiring a 30-year commitment to affordability.

Trust members asked if these changes were likely to get resistance from some owners of expiring-use properties. Staff stated that it will be up to the state to decide if they will finalize the proposed changes to the regulations or make further adjustments, and that CDD would likely submit comments after further review, even if only to endorse the proposed changes.

Trust members stated that the expiring use efforts to date have been extremely successful. Staff stated that the total preservation effort has totaled \$180MM from all sources in recent years.

Upon a motion moved and seconded, it was

VOTED: To approve the request for \$20,000.00 to fund the expiring use preservation activities.

Other Contracts

Staff presented a request for a total of \$533,615 for annual funding for support of non-profit developers, legal services, miscellaneous administrative costs, and the homeownership program management software. These requests are submitted each year. For Fiscal Year 2017, the non-profit contracts are level-funded from FY2016, except for Cascap. Given the reduced activity, Cascap's contract has been reduced.

These funds are used to support operations of HRI, Just A Start, and Cascap as they work to develop and preserve affordable housing in Cambridge. The contract for legal services funds payment of outside counsel. The homeownership software funding is used to pay annual costs for the Homekeeper program.

Rich Rossi stated that it was important to find a way to let the community know all the things the Trust is doing, such as changes to the Inclusionary Ordinance, preservation and creating new units. He recommended looking at ways to produce an updated Trust report, including creating an intern position to work on the project.

Upon a motion moved and seconded, it was

VOTED: To approve the request for the following contract funds:

Non-profit Housing Development	\$505,115
Homeownership Software	\$ 7,000
Legal Services FY2017	\$ 14,000
Miscellaneous/Administrative	<u>\$ 7,500</u>
TOTAL	\$533,615

The meeting adjourned at 4:27 p.m. The next meeting is scheduled for July 28, 2016 at 4:00 p.m.

- Meeting Minutes from the Trust's May 26, 2016 meeting.
- Project Update