

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
April 26, 2017

Ackerman Room, Cambridge City Hall  
795 Massachusetts Ave.

Trustees Present: Louis DePasquale, Chair; Peter Daly, Cheryl-Ann Pizza-Zeoli, Susan Schlesinger, Elaine Thorne

Trustees Absent: Florrie Darwin, Gwen Noyes, Jim Stockard, Bill Tibbs

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

Others Present: Lee Farris, Samuel Gebru

The meeting was called to order at 4:10.

**PROJECT UPDATE**

Porter Square- The site is acquired and predevelopment is underway.

Concord Ave. – The Comp Permit is approved and the appeal period is almost over. The One Stop has been submitted to DHCD and CDD is moving forward with the environmental review.

Jefferson Park State Public Housing – Construction is underway.

Inclusionary Housing – An inclusionary housing covenant has been recorded for one new project at 1699 Mass. Ave.

**OTHER UPDATES**

Vail Court – The first public meeting regarding the redevelopment of Vail Court was held on March 23. Community members expressed their preferences for uses of the site. The predominant preferred use was for housing.

Fractional Unit Contribution – CDD staff is reviewing the Trust projects and indices to be used for older projects to determine the amount of subsidy for the required amount of inclusionary square feet not provided through the floor area of the inclusionary units. This will be brought to the Trust in May.

City Budget – For the first time since the adoption of CPA, the City Manager has included in the City's annual budget request funds for the Affordable Housing Trust.

Envision – The first meeting of the Housing Working Group will be held in mid-May. The working group includes a few Trust members.

**New Business**

## Just A Start Consolidation – Phase 1

Just A Start (JAS) plans to consolidate its portfolio into several large scattered site projects. The first phase involves 10 properties totaling 112 affordable units. Combining these sites into one project will allow JAS to access new resources and recapitalize and rehab these properties, many of which have not been renovated for 20 years. This work includes the demolition and reconstruction of St. Patrick Place Apartments which was destroyed by fire in December 2016.

By combining these into one project, JAS can restructure existing debt and refinance with MassHousing and access tax credits, DHCD and Cambridge Redevelopment Authority funding. They are also looking to increase the number of project based units in the buildings. Originally, JAS hoped to complete the consolidation without additional Trust funds, but given an increase in interest rates and lender concerns about risks in the current financing environment, there is a funding gap of \$400,000.

JAS is requesting consolidation of the existing Trust financing into a single loan and extending the affordability terms to 50 years from the date of refinance and that the interest rate be set at 2.5% compounding. JAS is also looking to amend and extend the terms of other subordinate loans made by DCHD and DHDC pass through financing provided by the City.

Upon a motion moved and seconded, it was

VOTED: To modify the Trust's existing loans to Just A Start for its Phase I JAS Consolidation project and to provide \$400,00 in new Trust funding for this effort, as described, and as follows:

- That the maturity date for the consolidated Loan be extended to 50 years from closing;
- That the interest rate for the new and consolidated loan be reduced to 2.5% annually compounding, or such other similar rate as may be required by the investor, acceptable to Staff;
- That the affordability restriction(s) for the new and consolidated loans be set at one year longer than the longest restriction among the consolidated properties, and in any event no less than 50 years, or such other longer period as may be required by the existing underlying financing;
- CDD staff approval of the final development budget;
- CDD staff approval of construction plans and specifications;
- Firm written commitments from all project funding sources;
- CDD staff approval of the tenant selection and marketing plan;
- Standard Trust terms and conditions, including:
  - a) All units will be subject to the City's affordable housing restriction(s), described above;
  - b) All units will be restricted to households earning below 80% of Area Median Income, or such other similar standard(s) as outlined in the existing restrictions;
  - c) All loans will be subject to a penalty rate of 8%. The penalty rate is only applied upon violation of the affordability restriction(s).
  - d) For the existing consolidated loans (not including the new funding) principal and interest shall accrue but shall not be due and payable at the end of the term; however, the repayment date can be extended for an additional term upon approval by the Trust and extension of the affordability period.
  - e) For the new Trust financing, principal and 2.5% interest shall accrue and shall be repaid during the term of the Loan according to a schedule to be developed that is satisfactory to CDD Staff;
  - f) All loans will be non-recourse.

## **Old Business**

Upon a motion moved and seconded, it was

VOTED: To approve the minutes for the meeting of Thursday, March 23, 2017 as submitted.

The meeting adjourned at 4:37 p.m. The next meeting is scheduled for Mary 25, 2017 at 4:00 p.m.

- Meeting Minutes from the Trust's March 23, 2017 meeting.
- Project Update
- Request for Just A Start Consolidation – Phase 1