

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
March 23, 2023 at 4:00 p.m.

Conducted virtually via Zoom

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

Trustees Absent: Elaine Thorne

Staff Present via Zoom: Iram Farooq, Assistant City Manager for Community Development; Cassie Arnaud, Senior Manager for Housing Development; Anna Dolmatch, Homeownership Program Manager; Janet Haines, Housing Planner; Lev McCarthy, Neighborhood Planner

Others Present via Zoom: Nahid Chowdhury, Fanny Gavarette, Esther Hanig, Diana Prideaux-Brune

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. Thorne) to approve the minutes for the meeting of Thursday, February 23, 2023.

PROJECT UPDATE

HomeBridge: One new unit closed in February; three buyers have active commitments.

52 New Street: Construction closing is expected in the coming months. The City expects to make a commitment of HOME funds which will reduce amount of AHT funds needed.

1627 Mass Ave: HRI held the second community meeting on March 15th to share design ideas with the neighborhood. The project is moving forward under the Affordable Housing Overlay.

Park View Cooperative: Relocation is complete so the work can begin. Construction is expected to begin next week.

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

116 Norfolk Street: Construction is underway and proceeding well.

OTHER UPDATES

Affordable Housing Overlay Changes: Discussions of proposed changes continue. The proposal was discussed at the Neighborhood and Long Term Planning Committee on March 22, and has been discussed at the Housing Committee twice. It is expected that the AHO will be on the agenda for additional committee meetings in April.

Trust Vacancy: A notice of a vacancy on the Trust is expected to be posted next week. Peter Daly has retired from HRI and will be stepping down from the Trust.

NEW BUSINESS

Draft Request for Proposals for Cherry Street Lot

Peter Daly and Gwen Noyes left the meeting prior to the discussion of this matter.

Staff shared the draft Request for Proposals (RFP) for the City-owned parcel on Cherry Street. This property was passed to the City as part of a community benefits agreement with MIT. CDD's Community Planning Division led a process to engage the community around the development of housing on the site. This process indicated a strong preference for a homeownership project. The draft RFP was developed using recommendations from that community process, City Council input, and CDD staff expertise on design and development.

Lev McCarthy from Community Planning was in attendance. Housing staff noted that Lev was integral in the drafting of the RFP. It was also noted that the Purchasing Department was continuing to review the RFP, particularly the criteria for reviewing and scoring responses. Staff emphasized that the intent was not soliciting full project designs for a design competition; the focus is on finding a team with the best capabilities and ideas.

While the RFP is still being completed, it is likely that respondents will be asked to provide a project narrative and some conceptual visuals. The selected developer will need to go through a community process and a typical development review. Staff noted that if the project moved forward under the AHO, the developer would need to follow that process as well.

The Trust asked about funding for the project. Staff noted that funding was not included in the RFP and would not be part of the selection considerations. Any requests for Trust funding would need to be made separately.

Susan Schlesinger stated that she thought focusing on the selection of the best team for the site was a good approach, rather than engaging in a design competition. Elaine DeRosa emphasized that it is critical to engage the community so they are ready to support the project as it goes forward.

Trust members asked about the role of the AHO and the impact of any potential changes to the zoning. Chris Cotter stated that while a developer would not be required to use the AHO, it is most likely that the AHO would enable the development of a project most likely to meet the requested criteria. He confirmed that any changes to the AHO would only apply to projects permitted after those changes are adopted and advertised.

Jim Stockard asked about the timing for completion of the RFP. Chris Cotter stated that staff are continuing to work with Purchasing to finalize the selection criteria with the goal of putting out the RFP in the next month or so.

The City Manager mentioned that the Cambridge Health Alliance had inquired about using the Cherry Street lot as a temporary patient parking lot for the Windsor Street health clinic. Trust members discussed how any potential term would work with the likely development timeline. It was noted that the community would need to be engaged prior to any alternative use, even if temporary. Staff noted that in community meetings around the use of the lot several years ago there were multiple requests to use the lot temporarily for parking, including for staff from the the Fletcher Maynard school. Those requests were not approved. The Trust stated that they would be open to considering a temporary use if the community supported it and there would be no impact on the selected developer or the project timeline.

NEVILLE COMMUNITIES

Peter Daly and Gwen Noyes re-joined the meeting prior to the discussion of this matter.

Staff presented a funding request from Neville Communities, Inc. (NCI), for rehab work at the affordable assisted living development known as Neville Place. The request was for an initial discussion and not for a vote at this meeting as staff were still reviewing.

Neville Communities, Inc., is a joint venture of the City of Cambridge, the Cambridge Health Alliance and the Cambridge Housing Authority. Created to redevelop the former Neville Manor private nursing home, Neville Communities consists of 73 assisted living units and a 112-bed skilled nursing facility. While these are jointly owned and managed, the skilled nursing home is considered a medical facility and is not eligible for Trust funding. The funding request is only for the assisted living units. The Trust previously provided funding in 2005 that created permanent affordability for 57 of the assisted living units.

This is a different model than most Trust-funded housing, and staff have worked with the Neville management to better understand how the housing operates and what rehab is needed. Neville is requesting \$3,345,000 to both address immediate rehab needs to fund work that has been identified in a five-year CNA.

Trust members emphasized that it was important to fully understand how this infusion of Trust funding would position Neville for future operation and to show how the projections for operating revenue and reserves would be sustainable without the need for more funding in the future. Chris Cotter noted that like many similar facilities, the pandemic reduced demand. He also discussed the complex operating model that combines rent, CHA vouchers, and service funding. Susan Schlesinger stated that the proforma will not look like other development projects.

Trust members discussed a likely increase in “one off” requests to address issues with aging projects like Neville and some of the homeownership developments. They discussed the need for the Trust to grapple with the need to refinance and potentially fund the aging stock on an ongoing basis.

Peter Daly asked if it was possible to create more affordable units at Neville through a buy-down of the market units. Jim Stockard noted that because the model had health issues wrapped up with housing, options were more constrained. He stated that the Housing Authority funding could not subsidize services, so the affordable units had to find other funding for the services.

Mr. Stockard also noted that the NCI board was actively discussing the issue of ongoing reserves, and had a good team in place for management and consulting for the project. Trust members asked about other funding sources, such as New Markets Tax Credits or ARPA funding. The City Manager noted that there was a small amount of ARPA funding available, but it may not be possible to use at Neville because of the connection between the medical and residential pieces. He noted that if Neville is not in good shape, it creates an issue upstream at Mt. Auburn and other local hospitals by reducing options for discharging patients who need this type of facility. The Trust agreed on the importance of finding a solution, including looking at options to scale up the facility to make it more sustainable. Mr. Stockard noted potential issues with expanding on the site.

The Trust indicated strong support for staff's continued work to gather additional information from Neville to more clearly understand the building's current and future needs, and to untangle the medical and residential operating proformas. More information and a funding request will be presented to the Trust at upcoming meetings.

ADJOURNMENT

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

The meeting adjourned at 5:05 p.m.

The next meeting is scheduled for April 27, 2023 at 4:00 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's February 23, 2023 meeting
- Project update
- 35 Cherry Street Draft RFP Transmittal Memo
- 35 Cherry Street Draft RFP for Review
- Neville Communities, Inc. Funding Request Memo