

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
April 27, 2023 at 4:00 p.m.

Conducted virtually via Zoom

- Trustees Present via Zoom: Yi-An Huang, Chair; Peter Daly, Florrie Darwin, Elaine DeRosa, Jim Stockard, Bill Tibbs
- Trustees Absent: Gwen Noyes, Susan Schlesinger, 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; Antonia Finley, Homebuyer Coordinator; Emily Salomon, Associate Housing Planner; Christine Yu, Associate Housing Development Planner
- Others Present via Zoom: Ellie Schaffzin, Gabrielle Regan, Lahcen Medhat, Lee Farris, Lisa Blake, Lisa Oliver, Lorraine Murphy, Marianna Rezaei-Kamalabad, Mary Ruggiero, Pasang Lhamo, Wendy McLaughlin, Yolanda Gilibert, Robert Gibson

The meeting was called to order at 4:03 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 six in favor and three absent (Ms. Noyes, Ms. Schlesinger, Ms. Thorne) to approve the minutes for the meeting of Thursday, March 23, 2023.

PROJECT UPDATE

HomeBridge: 6 buyers have been approved.

52 New Street: JAS is preparing for construction closing.

JP Federal: CHA is preparing for construction closing.

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.

OTHER UPDATES

Affordable Housing Overlay Changes: Staff are waiting on a policy order from the Council. No further meetings to discuss the topic have been scheduled at the moment.

Trust Vacancy: A notice of a vacancy on the Trust was posted last week. The deadline for applying is Monday, May 1, 2023.

NEW BUSINESS

Affordable Homeownership Program Changes

Ms. Dolmatch updated the Trustees on the potential affordable homeownership program changes and reviewed material shared with the Trust on this matter. Today's discussion is to talk about next steps for preliminary recommendations, which could be a multi-meeting conversation. She noted that legal review with the Law Department is also still ongoing.

Ms. Dolmatch provided a summary of the engagement process and its results with the community and the Trust. She talked about the current return formula and its issues. Owners have expressed a strong interest in an increase in return but also want the program to remain affordable. There is a need to balance the likely increase in costs of this program with the funding needs for all types of affordable housing.

An option developed by staff and reviewed with some Trust members was presented for discussion of preliminary recommendations. The proposal was for a new resale formula with a simple annual increase of 2.5% of the purchase price. Some benefits include no risk of decrease in value, predictability for both owners, as well as no penalties. Mr. Stockard mentioned that Ms. Dolmatch should have mentioned that different formulas were tested, which led them to land on this proposed formula.

Ms. Dolmatch mentioned that the current policy regarding home repairs does not work well for everyone since the costs of repairs are the same for all owners, however the caps on the amount owners can be reimbursed for improvements varies depending on their purchase price. She presented for Trust an option that the policy be changed to a maximum dollar amount of \$5,000 annually. The other aspects of the policy would remain the same, such as requiring documentation and allowing flexibility for extraordinary costs.

Ms. Thorne asked how the \$5,000 maximum was determined. Ms. Dolmatch answered that staff looked at the costs that homeowners typically incur on average per year over the course of their ownership. She noted that this is the upper end and varies greatly by unit; some owners may not incur any capital improvement costs. Mr. Stockard asked how much money a hypothetical roof change would be for example. Ms. Dolmatch said it is specific to the home. Mr.

Daly mentioned a concern that \$5,000 right now may not have the same value in a few years, and that an index to CPI should be added.

The Trust also reviewed the option of having an affordable price circuit breaker, which would cap the maximum unit price increase to ensure a unit remains affordable at a certain level. The impact would vary depending on future changes in AMI and interest rates. Mr. Daly said that the circuit breaker could add a layer of complexity. Mr. Tibbs commented that this would be a good mechanism to maintain affordability and should be something to consider. Mr. Stockard followed up on Mr. Daly's comment by mentioning that it might be worth trying and documenting when this causes a problem. Ms. Dolmatch noted the unknowns of future affordability and the potential of lower funding levels. Mr. Tibbs said that there should be flexibility and reevaluation processes built into the new potential policy.

The Trust also reviewed options for recommending a new inheritance policy, which would allow direct inheritance for certain beneficiaries. Any new owner would be subject to income eligibility requirements and required to enter an Affordable Housing Covenant. Trustees bought up and discussed multiple legal scenarios that may add complexity to the policy. Mr. Cotter said that once a general inheritance policy is adopted, the details would be addressed during the development of new legal documents, and the applicability might vary owner to owner depending on their estate plans. What was suggested would create options for inheritance but no obligation, and the equity in the unit would be available to the estate in cases where a home was not passed on to an heir.

The Trust stated that they did not need additional discussion of the proposed recommendations and were prepared to move to the next steps. Ms. Dolmatch stated that the next step will be to conduct outreach with current owners on the recommendations, then bring that feedback to a future Trust meeting for additional discussion prior to a final vote on policy changes.

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

VOTED: for CDD Staff to engage with stakeholders to get feedback on the recommended homeownership program changes as presented.

MOVE TO EXECUTIVE SESSION

Mr. Huang left the meeting prior to this discussion.

Mr. Cotter indicated that the next item for discussion before the Trust pertained to details regarding the potential acquisition of real estate. Due to the sensitive information to be discussed, continuing in open session might have a detrimental effect on the negotiations. At 5:04 PM, Mr. Cotter entertained a motion to go into Executive Session to discuss this matter and indicated that the Trust would adjourn at the conclusion of the Executive Session.

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

VOTED: for the meeting to go into Executive Session.

The next meeting is scheduled for May 25, 2023 at 4:00 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's March 23, 2023 meeting
- Project Update
- Homeownership Program Review