

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
December 3, 2009

Ackerman Room, City Hall
795 Massachusetts Ave.

Trustees: Robert W. Healy, Peter Daly, Florrie Darwin, Michael Haran, Gwen Noyes,
Susan Schlesinger

Staff: Beth Rubenstein, Assistant City Manager; Chris Cotter, Housing Director;
Cassie Arnaud, Housing Planner, Anna Dolmatch, Housing Planner, Linda
Prosnitz, Housing Planner

Also Present: Hassan T Rashid, ACT Board Member

The meeting was called to order at 4:00 pm.

Upon a motion moved and seconded, it was voted to approve the minutes as amended from the September 24, 2009 meeting.

PROJECT UPDATES

Lincoln Way/Jackson Gardens - CHA has begun the public process and anticipates beginning the permitting process in early 2010.

625 Putnam Avenue – HRI application for a Special Permit was approved by the Planning Board at the September 8 meeting. They are waiting for state funding decisions.

95-97 Pine Street – Construction is underway; HRI expects to close on state funding shortly.

1066 Cambridge Street – Just a Start is reviewing options including proceeding with an as-of-right design.

424-430 Windsor – The Planning Board decision is under appeal.

823 Main Street – Construction is complete; buyer selection is almost complete, with nine units under agreement.

125 Harvard Street (Print Shop) – Construction is complete; buyer selection is continuing, with 13 units under agreement.

191-195 + 203 Prospect Street – CHA reapplied for state funding in the summer rental round for 191-195 Prospect. 203 Prospect is being rehabbed separately.

NEW BUSINESS/ UPDATES

Homeownership/Local Preference Overview

Staff provided a brief overview of the homeownership program. Trust funds support three components of the homeownership program: non-profit developments; the Financial Assistance Program; and the FTHB Resale Fund. Since 2006, a total of 140 Trust-funded homeownership units have been sold or are under agreement. The Trust was informed that 84% of these units have gone to Cambridge residents. It was noted that this figure does not include non-resident buyers who work in Cambridge, and that the figure reflects new non-profit developments which are required by state funding rules to make 30% of the units available without a Cambridge preference.

After a brief discussion regarding changes and challenges in the homebuying market and number Cambridge buyers who have been served in recent years, staff presented a series of measures aimed at maintaining the City's track record of serving Cambridge residents, particularly Cambridge families. These measures reflect the discussions and recommendations of the PRC.

Staff noted that the recently created FTHB Resale Applicant Pool, which will be used to find buyers for resale units, will also enable staff to serve many Cambridge households and allow staff to work more closely with buyers who need preparation before being ready to purchase.

Upon a motion and seconded, with Mr. Haran abstaining from the vote, it was:

Voted: To approve the following changes in the way City-restricted first-time homebuyer units are priced and/or marketed:

- To increase Trust Funds used for FTHB Purchase Price Buydown Assistance to the lesser of \$50,000 or 25% of purchase price for 2- and 3-bedroom units, and to limit this assistance to Cambridge residents;
- To allow staff to use funds from the FTHB Resale Fund that the Trust previously approved to reduce sales prices on new units when appropriate.

Housing Preservation Funding

Staff presented a request for up to \$50,000 in Trust funds to be made available to fund efforts to preserve the privately-owned affordable housing stock in Cambridge. These funds would supplement the \$40,000 previously committed for analysis of the stock of units with expiring restrictions. Staff expect to use funds in this request for project-specific activities such as market studies, appraisals, legal analyses and regulatory review and underwriting of new preservation opportunities as they arise.

Staff anticipates that they will be reviewing and refining proposals for preservation at several properties, each of which will require detailed review and analysis. In addition to already identified projects, it is possible that proposals from owners of other privately-owned affordable housing properties will also materialize in the next six to twelve months. Trust members supported the request, acknowledging the benefit of having resources available to

act early to assess and pursue these opportunities, allowing staff to make the most of preservation opportunities that arise.

Upon a motion and seconded, with Mr Daly absent from discussion and abstaining from the vote, it was:

Voted: To approve \$50,000 in Trust funds to be used for project-specific early-stage housing preservation activities as described in more detail in the Trust's briefing materials.

625 Putnam Avenue, Predevelopment Loan

Staff presented a request from Homeowner's Rehab Inc (HRI) for an additional \$133,930 in predevelopment funding to assist in the development of 625 Putnam Avenue in Cambridgeport. The Trust previously approved acquisition and predevelopment loans totaling \$4,288,225 earlier this year.

Since the most recent approval, HRI has acquired the property, applied for DHCD funding, and secured permitting to develop 40 rental units, a majority of which will be family sized. The funding being requested would enable HRI to proceed with the final design of the project, and would fund predevelopment activities through early 2010 by which time it is anticipated that DHCD funding awards will be announced. If the project secures state funds, HRI will apply to Neighborworks and CEDAC for additional predevelopment funds. Staff noted that HRI is also planning to request additional predevelopment funds from the Trust, including a request for carrying costs if the project does not receive state funding in this round.

While supportive of the project, Trust members questioned whether the request was consistent with prior Trust-funded predevelopment activity. They asked staff whether other recent non-profit developments had received similar commitments of Trust predevelopment funding, and discussed to what degree, the Trust should expect non-profit developers to use funds of their own or from other sources for early-stage project costs. Trust members requested that staff prepare an overview of how predevelopment costs have been funded at other recent developments. It was agreed that staff would bring a summary of recent predevelopment funding activity to an upcoming Trust meeting for discussion.

Upon a motion and seconded, with Mr. Daly absent from discussion and abstaining from the vote, it was:

Voted: To approve an increase of \$133,930 HRI's existing acquisition and predevelopment loan of \$4,288,225 as described in more detail in the Trust's briefing materials.

OTHER UPDATES

Trust members were informed that an Incentive payment of \$932,657 had been received for the recently completed Biomed building.

Staff distributed copies of the State Ethics Policy to the Trust and collected signed acknowledgements of receipt from each Trust member.

ADJOURNMENT

The meeting adjourned at 5:00 pm. The next meeting is scheduled for January 28, 2010, at 4 pm in the Ackerman Room. Confirmation of this time and date will follow.