

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
February 5, 2009

Ackerman Room, City Hall  
795 Massachusetts Ave.

Trustees: Robert W. Healy, Susan Schlesinger, William Tibbs, James Stockard, Gwen Noyes, Peter Daly, Michael Haran

Staff: Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Anna Dolmatch, Housing Planner; Linda Prosnitz, Housing Planner.

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

### **PROJECT UPDATES**

**7 Temple Street** – The BZA approved the comprehensive permit application on July 24<sup>th</sup> but the permit has been appealed by abutters. The project received an award of \$400,000 from the FHLB.

**Pine Street** – HRI purchased the 12-unit building on January 23<sup>rd</sup>. They have applied for state funding and expect to hear the decision in March.

**823 Main Street** – Construction closing held in June 2008. Construction is underway. Completion is expected in the summer. Applications are currently under review.

**35 Harvey Street** – Construction is underway. Cascap is waiting to close with the state.

**1066 Cambridge Street** – JAS received approval of the Comprehensive Permit application on April 10. The permit was appealed. JAS is reviewing an as-of-right design.

**125 Harvard Street (Print Shop)** – Construction closing held in August 2008. Construction underway with an expected completion of late Summer 2009.

**VFW** - Buyer selection for final unit is underway.

**Financial Assistance Program** – Closed on the 42<sup>nd</sup> unit on January 27<sup>th</sup>, 2009.

### **GENERAL BUSINESS**

Upon a motion and seconded, it was voted to approve the minutes from the September 25, 2008 meeting.

Upon a motion and seconded, it was voted to approve the minutes from the October 23, 2008 meeting.

## **OTHER BUSINESS/ UPDATES**

### New Request for Funding for Affordable Rental Housing

Staff presented a request from HRI for an acquisition and predevelopment loan of a sufficient sum for the purchase and development of the property in Cambridgeport. HRI proposes to develop 41 rental units with a mix of one-, two- and three-bedrooms.

HRI will apply for low income housing tax credits from the state. The Trust discussed the state of the equity markets for tax credit developments where yields are down and many projects are having difficulty finding investors. However, in a strong market with a strong sponsor in HRI, Trust members thought this development would be more attractive to investors than developments in softer markets. Trust members also discussed the current availability of project-based Section 8 assistance, and the effect a lack thereof would have on the ability of rental projects to leverage first mortgage debt.

The Trust agreed that all rental projects are facing the challenge of fewer PBA's and uncertainty in the tax credit equity markets, and that these issues should be looked at both in a wider sense as to how the Trust views new rental proposals, and also more closely as to specific projects that would be impacted by these issues when the full extent of the impact on a development can be better assessed.

Upon a motion and seconded, with Peter Daly abstaining and absent from the room, it was:

Voted: To approve HRI's request of a sum necessary for the purchase and development of this site.

### 191-195 and 203 Prospect Street

Staff presented a request from the CHA for \$1,149,639 for permanent financing and capital improvements to 191-195 Prospect Street. The property was purchased by the CHA in 2003 after it had been converted to 20 affordable rental units in 1999.

The CHA has several short-term financing sources in the project, including loans from East Cambridge Savings Bank, the Trust's Harvard Loan Fund, and the CHA. They have applied to DHCD for funding including 4% tax credits, Housing Stabilization Funds, and Massachusetts Affordable Housing Trust funds. The CHA will repay the Harvard loan and significantly reduce the ECSB loan.

The proposed capital improvements include a new roof; improvements to the building exterior; modifications of ADA units to comply with new regulations; and other improvements. The estimated cost for capital improvements is \$815,615.

Upon a motion and seconded, with Jim Stockard abstaining and absent from the room, it was:

Voted: To approve the Cambridge Housing Authority's request for \$1,149,639 for refinancing and capital needs at 191-195 Prospect Street.

#### Expansion of Homebuyer Assistance Fund

Staff presented a request to expand the existing Inclusionary Buydown Assistance Fund to assist first-time homebuyers in the purchase of non-profit development units and resale units including those originally funded through CHBI or Financial Assistance.

The Buydown Assistance fund provides up to \$25,000 to write down the price of an affordable unit which allows a buyer with a slightly lower-income to afford to purchase the unit. These buyers would otherwise not have sufficient income to purchase. The unit price is lowered permanently so the increased affordability may assist future buyers when the units turn over.

Staff estimate that with current interest rates, each \$5,000 in buydown funds corresponds to a reduction of \$1,200 in annual income necessary to purchase a unit. The ability to use these funds for non-profit development and other non-inclusionary units will make those units viable for well-qualified applicants across a greater range of incomes.

Upon a motion and seconded, it was:

Voted: to approve the expanded eligibility for the buydown assistance fund to include non-profit development units and resale units.

#### Housing Preservation Consultant

Staff presented a request for approval of a \$20,000 contract to hire a consultant to work assist in assessing the status of privately-owned affordable housing and developing strategies to preserve housing with expiring affordability restrictions.

Upon a motion and seconded:

Voted: To approve a contract of \$20,000 for an expiring-use consultant.

#### Vacant Parcel available for Housing Development

City Manager Healy reviewed the desire of a local non-profit to transfer a vacant parcel it owns to the Trust or non-profit for housing development. Trust members discussed the value of the parcel and the asking price for its transfer. The City's assessment of the site was recently increased due to a new formula for assessing vacant parcels. The new assessment did not consider deed restrictions in place on this parcel which limit its value.

Trust members discussed the need to determine the value of the parcel, and suggested that an appraisal be commissioned. Mr. Healy proposed the Trust approve funds necessary to conduct an appraisal.

Upon a motion and seconded:

Voted: To approve \$3,000 for an appraisal of this vacant parcel.

**ADJOURNMENT**

The meeting adjourned at 5:20 pm. The next meeting is scheduled for Thursday, February 26 at 4 pm in the Ackerman Room. Confirmation of this time and date will follow.