

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
January 28, 2010

Ackerman Room, City Hall
795 Massachusetts Ave.

Trustees: Robert W. Healy, Peter Daly, Michael Haran, Susan Schlesinger, Gwen Noyes, Beverly Bates

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

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

Upon a motion moved and seconded, it was voted to approve the minutes from the December 3, 2009 meeting.

PROJECT UPDATES

Lincoln Way/Jackson Gardens - CHA received \$10 million in ARRA funding. General contractor selected. Several public meetings have been held. Historical, Planning Board and BZA hearings scheduled for February.

Cambridge YWCA – YWCA has received commitments of historic tax credits but did not receive state funding in the most recent round. They will have debrief with DHCD and reapply in February 2010 round.

625 Putnam Avenue – HRI application for a Special Permit was approved by the Planning Board at the September 8 meeting. They did not receive an award in the Fall 2009 state funding round. They will reapply in February 2010.

YMCA Central House – Caritas is purchasing the 128-unit SRO from the Cambridge YMCA. They did not receive an award from DHCD in the Fall 2009 round and will reapply for February 2010.

7 Temple Street – The comprehensive permit appeal received a preliminary summary judgement dismissal. Final steps to complete the appeal process are underway. FHLB funds have been awarded. CHA will reapply for DHCD funding in the February 2010 round.

95-97 Pine Street – HRI closed on state funding in December 2009. Work is underway; Phase I completion expected Spring 2010.

1066 Cambridge Street – Contractor selection underway. Just A Start is working on securing a tax credit investor.

823 Main Street – Construction is complete. Eight units are closed, two under agreement.

125 Harvard Street (Print Shop) – Construction is complete. Thirteen units have closed, three are under agreement.

NEW BUSINESS/ UPDATES

New Trust Member

Beverly Bates was introduced as a new member of the Affordable Housing Trust. She is a Cambridge resident with extensive experience in affordable housing development, including almost 25 years with The Community Builders. Trust members and staff introduced themselves and welcomed Ms. Bates.

First Time Homebuyer Buydown Funds

Staff presented a summary of three previous trust votes approving the setup and expansion of the First Time Homebuyer Buydown Fund. The Fund was originally established to assist buyers in purchasing ownership units created through the inclusionary zoning program. It was later expanded to include units created through non-profit development and resale units from all programs, including inclusionary, Financial Assistance and CHBI.

Staff also presented the program guidelines outlining the parameters approved by the Trust in previous votes. These include limiting the assistance to Cambridge residents and setting buydown assistance limits of \$25,000 or 25% of sales price for one-bedroom units and \$50,000 or 25% of sales price for family-sized (two or more bedroom) units.

Upon a motion and seconded it was;

APPROVED to confirm the previous votes taken on the First Time Homebuyer Buydown Assistance Fund and to approve the program guidelines as written.

Predevelopment Funding

Staff presented information requested by the Trust on predevelopment costs for recent projects and how sponsors have funded these costs. While predevelopment costs have increased for projects with lengthy appeals and other development delays, in almost all cases Trust funds have been only a portion of the predevelopment funds. Sponsors have used their own equity, bank funds, Neighborworks funds, and CEDAC predevelopment loans in addition to Trust funds.

Trust members discussed the benefits of sponsors seeking additional funding sources for predevelopment. One of the issues discussed was that many sources, such as Neighborworks and CEDAC, are more likely to lend to projects further along in the development process, leaving a gap for the initial costs during the acquisition and permitting phases. Another issue discussed was the cost of certain predevelopment sources such as bank funds and CEDAC loans, which carry interest. However, the Trust also felt that pursuing other sources allowed projects to be visible to other funding agencies early in the process.

The Trust agreed that while predevelopment needs must be reviewed on a case by case basis, there is value in having sponsors contribute their own funds and seek sources other than the Trust to cover predevelopment costs. It was agreed that the Trust is and will remain an important predevelopment source for these projects.

ADJOURNMENT

The meeting adjourned at 5:15 pm. The next meeting is scheduled for February 25, 2010, at 4 pm in the Ackerman Room. Confirmation of this time and date will follow.