

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
April 28, 2010

Ackerman Room, City Hall
795 Massachusetts Ave.

Trustees: Robert W. Healy, Peter Daly, Michael Haran, Susan Schlesinger, James Stockard

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 February 25, 2010 meeting.

PROJECT UPDATES

424-430 Windsor – Appeal of Special Permit is pending; settlement negotiations underway. Trial is scheduled for May 2010.

Lincoln Way/Jackson Gardens – Permitting process is complete. CHA expects to close in next few months and begin construction in June.

625 Putnam Avenue – HRI application for a Special Permit was approved by the Planning Board at the September 8 meeting. Awaiting word on state funding round.

95-97 Pine Street – Work is proceeding well; first phase almost done.

7 Temple Street – Appeal of Comp Permit is pending. CHA reapplied for state funding in the February 2010 round.

1066 Cambridge Street – Demolition has begun; full tax credit closing expected May 2010.

823 Main Street – Construction is complete. Selecting buyer for tenth and final unit. The building received LEED platinum certification.

125 Harvard Street (Print Shop) – Construction is complete. Fourteen units have closed. Four are under agreement.

NEW BUSINESS/ UPDATES

Cambridge YWCA Rehab Project

Staff presented a request from the Cambridge YWCA to extend the Trust's commitment of permanent financing for the rehabilitation of their existing rental housing in Central Square.

In July 2009, the Trust made a commitment of \$3,101,962 to enable the YWCA to complete a comprehensive rehabilitation of 103 units of SRO housing for women. The Trust commitment was conditioned on the YWCA receiving state funding by March 31, 2009. While they did not receive DHCD funding in the most recent application round, they have reapplied and are optimistic that they will be funded in the current round.

The estimated total development cost for the project is \$11,549,213, consisting of \$8.3M for the residential portion (\$80.5K per unit) and \$3.25M for the non residential portion of the building. To date, the YWCA has obtained commitments of \$1.96M in historic tax credits and has an application in to DHCD for a combined \$4.515M in state funding. In addition, the YWCA will be providing almost \$2M to the project, including \$1,750,000 in cash equity from the anticipated CHA/Pool building groundlease proceeds (up from \$1.5M in the July 2009 budget) as well as \$221,906 in deferred fees. The YWCA plans to use the balance of the groundlease proceeds to strengthen their organization by hiring full-time permanent professional staff and to replenish their endowment which has been being tapped to cover building operations.

While the Trust was supportive of the project in general, they expressed concerns about the YWCA's capacity and cautioned that steps needed to be taken to ensure the long-term viability and success of the housing. Specifically, they requested that there be ongoing professional asset management review of building operations, and that the City have the right to require that the CHA, or other experienced developer/owner, step in if necessary.

Upon a motion and seconded, it was:

Voted to approve to extend the Trust's commitment to the Cambridge YWCA for \$3,101,962 in permanent financing subject to the following conditions: 1) Trust's standard terms and conditions; 2) the commitment of all sources of funding necessary to complete the project, including state funds, by December 31, 2010; 3) that the project be structured to ensure that an experienced development partner, such as the CHA, will have the ability to assume and perform responsibilities of the owner if necessary in the judgment of that partner or the City; and 4) that the project be structured to include professional ongoing asset management review.

Temple Place Apartments, Amendment to Trust Conditions

In conjunction with the above discussion regarding an extension of the Trust's commitment to the YWCA for its rehab project, the Trust also discussed amending its commitment to the Cambridge Housing Authority for its Temple Place project which will be built directly adjacent to the YWCA on Temple Street. In May 2008, the Trust authorized a commitment of \$3,010,000 in permanent financing to the CHA for the new construction of 42 rental units at 7 Temple Street (site of the vacant YWCA pool building). The CHA is currently working on resolving an appeal by an abutter to the comprehensive permit. Staff presented a proposal which would allow the CHA to close on its acquisition of the pool building from the YWCA, prior to the CHA receiving all other sources needed for their Temple Place project, but contingent on the YWCA receiving commitment for all other sources for their rehab project. This would enable the YWCA rehab project to move forward while the Temple Street project awaits resolution of the comprehensive permit appeal.

Upon a motion and seconded, it was: Voted to amend the terms of the Trust's commitment to the Cambridge Housing Authority for Temple Place Apartments to allow acquisition of the pool building to move forward prior to the CHA's receipt of firm commitments from all funding sources necessary to complete the project. The amendment is conditioned on the YWCA receiving commitments from all other funding sources for their rehab of the existing SRO housing and non-residential space at Tanner and Main buildings.

Inclusionary Housing Program Tenant Selection Plan

Staff distributed copies of a proposed, revised Tenant Selection Plan for rental units developed under the Inclusionary Housing Program. Under Section 11.200 of the Zoning Ordinance, the Trust has authority to approve policies and policy changes for the Inclusionary Housing Program. In an effort to make applying for Inclusionary rental units easier for applicants and to streamline the tenant selection process, staff are proposing the creation of a Rental Applicant Pool, similar to the recently created first-time homebuyer resale pool, whereby tenants for new and vacant (through turnover) IZ rental units be identified on an ongoing basis. Initially, there will be a deadline for applications for a onetime lottery to establish the order of applicants. After the deadline, households will be added to the pool in the order in which their applications are received. Trust members voiced their support of the proposal.

Upon a motion moved and seconded, it was: Voted to approve the Inclusionary Housing Program Tenant Selection Plan for Rental Units, as discussed above and presented in the Trust's briefing materials.

411 Franklin St/Cambridge Court Apartments - Update

Staff updated the Trust on the status of Cambridge Court Apartments, a privately-owned 122-unit elderly housing project located at 411 Franklin Street. The project is on the list of so-called "expiring use" properties. Housing staff have had a series of productive conversations with the owners and their consultants about options for preservation. While much progress has been made, a number of issues still remain outstanding which will need to be resolved before their budget can be finalized. In the meantime, staff wanted to share the project concept with the Trust in advance of bringing a formal request to an upcoming meeting.

Cambridge Court Apartments is a 10-story masonry building containing 48 studios and 74 1-bedroom units. The building itself was built in the early 1970s and needs updating. The owners are proposing to prepay their existing 236 HUD mortgage and refinance. They would maintain, or expand, affordability and complete a moderate rehab of the building. The proposed scope of work includes new kitchens and baths; new systems, roof, elevators and windows; improved common areas; and exterior work including masonry repair, waterproofing, and insulation. As part of the refinance, there would be an equity take-out, which would be supported by an appraisal. They have also submitted an application in the current round for \$4.15 million in state funding, consisting of a mix of CIPF, HIF and AHTF funds.

ADJOURNMENT

The meeting adjourned at 5:15 pm. The next meeting is scheduled for May 27, 2010, at 4 pm in the Ackerman Room. Confirmation of this time and date will follow.