

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
March 24, 2011

Ackerman Room, City Hall
795 Massachusetts Ave.

Trustees Present: Robert W. Healy, Beverly Bates, Peter Daly, Michael Haran, Gwen Noyes, Susan Schlesinger, Jim Stockard, Bill Tibbs

Trustees Absent: Florrie Darwin

Staff Present: Brian Murphy, Assistant City Manager for Community Development; Susan Glazer, Deputy Director; 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.

Upon a motion moved and seconded, it was voted to approve the minutes from the January 27, 2011 meeting.

PROJECT UPDATES

Inman/CAST – HRI's acquisition closing in process and expected to be completed by the end of the month; rehab to begin shortly thereafter.

Cambridge Court – Project received \$3M in DHCD funding; owners selecting contractor and working on HUD applications in preparation for late summer closing.

YMCA Central House – Project received more than \$2.3M in DHCD funding; Caritas also approved for 4% tax credits and bond financing. Closing to be scheduled.

Lincoln Way/Jackson Gardens – Construction is underway at both sites and proceeding well, though winter conditions caused delays.

Cambridge YWCA – Project received \$3.9M in state funding; YWCA updating project timetable in anticipation of a Fall 2011 closing. YWCA is working on MOU/MOA with CHA and City.

78-80 Porter Road – CHA was not funded in Sept 2010 state round but will resubmit in upcoming April 2011 DHCD rental round; also applying for historic tax credits.

625 Putnam Avenue – Project is under construction and proceeding well.

7 Temple Street – Appeal has been settled; CHA preparing to resubmit application for DHCD funding and refining project timetable.

95-97 Pine Street – Building construction complete, landscaping to be finished shortly; 11 of 12 units occupied.

1066 Cambridge Street – Construction is underway; completion expected June 2011.

424-430 Windsor – JAS preparing bid package and continuing to conduct predevelopment activities.

125 Harvard Street (Print Shop) – Of the twenty-four units, twenty have been sold, three are under agreement and working to identify buyer for 1 remaining unit.

191-195 Prospect Street – CHA did not receive funding in most recent DHCD rental round; assessing alternative financing options.

NEW BUSINESS

Cambridge YWCA Rehab Project

Staff presented a request to amend the existing terms of the Trust's commitment to the Cambridge YWCA by removing references to when the commitment will expire, in reflection of the fact that the project has received an award of \$3,887,348 in DHCD funding. At its December 2010 meeting, the Trust voted to extend its commitment of permanent financing to the Cambridge YWCA until the date of the first Trust meeting following the announcement of the DHCD September 2010 rental funding awards. With this funding in place, the YWCA is proceeding with its renovation plans and has requested an extension of the Trust's commitment.

Staff informed the Trust that the YWCA is also actively working with the CHA and City staff to finalize an agreement among the YWCA, the CHA and the City whereby the CHA could assume control of the YWCA's housing should the YWCA fail to effectively manage the renovated buildings.

Upon a motion moved and seconded, it was:

VOTED: to amend the terms of the Trust's commitment of \$3,101,962 in permanent financing to the Cambridge YWCA by removing references to when the commitment will expire. All other terms and condition, including the following, shall remain the same:

1. CDD staff approval of the final development and operating budgets;
2. Formalization of Cambridge Housing Authority role;
3. CDD staff approval of construction plans and specifications;
4. Firm written commitments from all project funding sources;
5. Standard Trust terms and conditions.

Preservation Update

Staff presented a brief update on the status of efforts to preserve the privately-owned stock of affordable housing in the city. Over the last two years, Staff have been working to design and implement preservation strategies to protect and extend affordability in expiring use properties.

In 2008, when the review began, there were ten privately-owned properties, containing more than 1,000 affordable units, which had affordability restrictions at risk of expiring in the next ten years. With recent funding commitments from the Trust, preservation of 217 units at three of these properties is now underway.

Inman Square Apartments, a 116-unit building, and CAST II Apartments, a 9-unit building, are being purchased, renovated, and preserved by Homeowners Rehab, Inc. In addition, the private owner of Cambridge Court Apartments will be refinancing, renovating and extending affordability at their elderly housing development on Franklin Street. These preservation efforts have been possible

through coordination among many stakeholders including, current owners, tenants, the Cambridge Housing Authority, HRI (in the case of Inman/CAST II) and staff.

In addition to finalizing preservation of these three properties, staff has begun discussions with the owners of Norstin Apartments and Harwell Homes regarding preservation options, and will look at options for 2 Mt. Auburn Street with Harvard University. Staff will report back to the Trust as more information becomes available, and will continue to reach out to owners of properties with expiring use restrictions with the goal of preserving affordability of all units with expiring use restrictions.

Inclusionary Housing Program Update

Staff updated the Trust on the status of the Inclusionary Housing Program, including providing an overview of program activity and a report on the implementation of policies adopted by the Trust.

Over the past two years, 180 new inclusionary units have been completed and occupied. This expanded inventory has resulted in sales of 59 new homeownership units and leasing of 127 new rental units. There are now 451 completed inclusionary units, with another 16 units currently under development. The 467 total units are located in 44 privately developed projects.

As the number of rental projects has grown, tasks associated with the oversight of the portfolio have increased. Staff provided the Trust with an update on the recently approved Rental Applicant Pool process, which has been found to be an effective way to fill available IZ rental units. Similarly, staff reported that the Minimum Rent Policy, approved by the Trust in 2008, was also working well.

Finally, staff reported that they have recently approved six new developments. These are small to moderate sized projects, ranging from 7 to 54 total units, and are a mix of rental and homeownership. In addition to these six projects, staff expect to see several other large new projects including the anticipated 227-unit development at the former Faces nightclub site. Staff will continue to keep the Trust apprised of program activity and policy implementation, as the City's portfolio of Inclusionary units continues to expand.

Other Updates

Staff informed the Trust that they had received a preliminary request from the Cambridge Housing Authority for funding related to their anticipated redevelopment of their JP Apartments project. The CHA was in the early stages of reviewing redevelopment options and was considering applying to DHCD for funding. It was agreed that the Trust would discuss the project once staff had had a chance to review a more complete request.

ADJOURNMENT

The meeting adjourned at 5:05 pm. The next meeting is scheduled for April 28, 2011 at 4:00 p.m., date to be confirmed.

OTHER MATERIALS

- Draft Meeting Minutes from the Trust's January 27, 2011 meeting
- Status of Active Projects – Cambridge Affordable Housing Trust
- Cambridge YWCA Housing – Main and Tanner Buildings
- Privately-owned Affordable Housing with Expiring Use Restrictions
- Inclusionary Housing Program Update