

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
May 26, 2011

Ackerman Room, City Hall
795 Massachusetts Ave.

Trustees Present: Robert W. Healy, Peter Daly, Susan Schlesinger, Jim Stockard, Florrie Darwin

Trustees Absent: Beverly Bates, Gwen Noyes, Bill Tibbs

Staff Present: 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 April 28, 2011 meeting.

PROJECT UPDATES

Inman/CAST – Occupied rehab of the building is underway.

Cambridge Court – Project received \$3M in DHCD funding; closing is anticipated for late summer/early fall. Waiting for HUD decoupling approval.

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

Lincoln Way/Jackson Gardens – Construction is underway at both sites and proceeding well. Jackson Gardens is expected to be complete in the fall. Phase I of Lincoln Way is expected to be complete in early 2012.

Cambridge YWCA – Project received \$3.9M in state funding; Closing is anticipated for Fall 2011. YWCA continues to work on MOU/MOA with CHA and City.

78-80 Porter Road – CHA was not funded in Sept 2010 state round and resubmitted for the April 2011 DHCD rental round.

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

7 Temple Street – Appeal has been settled; CHA submitted an application for funding in the April DHCD rental round.

95-97 Pine Street – All construction complete; building fully occupied. Project will be removed from active projects.

1066 Cambridge Street – Construction is underway; completion expected June 2011. Opening ceremony scheduled for June 23, 2011 at 11:30 am.

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

125 Harvard Street (Print Shop) – Of the twenty-four units, twenty-three have been sold. 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.

Inclusionary Zoning - Several Inclusionary Zoning projects are moving forward, including large rental developments at the former Faces nightclub site and on Fawcett Street near Alewife.

NEW BUSINESS

Changes to Financial Assistance Program

Staff presented a request to update the Financial Assistance Program (FAP) guidelines. Created in 2002, FAP was developed to serve households who were good candidates for homeownership but were not served by inclusionary or non-profit developed units. To date, 47 households have purchased using City assistance of up to \$130,000 per unit.

The current program works as “gap filler” between a maximum unit price set by CDD and a required buyer contribution. The required contribution is a housing payment equaling 33 percent of gross monthly income and all liquid assets less six months housing costs. Due to changes in bank underwriting standards, these guidelines were making it difficult for strong candidates to meet both bank and program guidelines.

In order to make the program more user-friendly and give more assistance to families using the program to purchase larger units, the following new FAP guidelines were proposed:

- City assistance based on a percentage of the purchase price: 30 percent for a one-bedroom household, 35 percent for a two-bedroom and 40 percent for a three-bedroom.
- Buyers must have a mortgage resulting in a housing payment of between 25 and 33 percent of gross monthly income.
- Buyers may retain up to \$75,000 in total assets after closing, but no more than \$40,000 in liquid assets. Assets over this amount must be invested in the unit prior to City assistance.
- Maximum prices will be set by CDD on a regular basis based on sales price data.
- All units to be approved by CDD.
- All units will be permanently affordable through an Affordable Housing Covenant signed at closing.

The intent of these changes is to assist more families in using the program, as well as to make the guidelines clear and consistent.

The Trust requested that staff monitor the owners of these units to determine if FAP buyers are able to remain in the community long-term as their family size and housing needs change.

Upon a motion moved and seconded, it was:

VOTED: to amend the Financial Assistance Program guidelines as presented and further outlined in the Financial Assistance Program Guidelines memo recommendation to the Trust.

OTHER BUSINESS

Staff presented a brief update on the status of efforts to preserve the Chapman Arms/Craigie Arms property. Homeowner's Rehab, Inc. (HRI) has been designated by DHCD to make an offer on the property under the 40T statute. There is not currently an asking price for the property. Both CEDAC on behalf of the state and the City are conducting appraisals. The existence of the ground lease with Harvard, under which the building reverts to Harvard in 29 years, will impact the value as well as HRI's ability to finance an acquisition of the building.

ADJOURNMENT

The meeting adjourned at 4:57 pm. The next meeting is scheduled for June 22, 2011 at 4:00 p.m.

OTHER MATERIALS

- Meeting Minutes from the Trust's April 28, 2011 meeting
- Status of Active Projects – Cambridge Affordable Housing Trust