

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
November 29, 2012

Ackerman Room, City Hall
795 Massachusetts Ave.

Trustees Present: Robert W. Healy, Florrie Darwin, Michael Haran, Gwen Noyes, Susan Schlesinger, Jim Stockard, William Tibbs

Trustees Absent: Beverly Bates, Peter Daly

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

Others Present: Cheryl-Ann Pizza-Zeoli; John Van Saun; James Williamson

The meeting was called to order at 4:07 pm.

Upon a motion moved and seconded, it was voted to approve the minutes from the September 27, 2012 meeting.

PROJECT UPDATES

Bishop Allen Apartments (aka Norstin) – Just A Start applied for DHCD funding in the October round.

Chapman Arms – HRI applied for DHCD funding in the October rental round.

Cambridge Court – Financing closed and construction is nearing completion.

Lincoln Way/Jackson Gardens – Jackson Gardens is done and fully occupied. First phase of Lincoln Way is complete; construction on the second phase is proceeding well.

Cambridge YWCA – Construction closing complete; rehab is now underway.

78-80 Porter Road – CAHC reapplied to DHCD for funding in the October round.

7 Temple Street – CHA is assessing options after bids came back higher than expected. DHCD is holding funding pending potential design changes.

424-430 Windsor Street - Construction is complete and several buyers have closed. Just A Start held an event for the neighborhood on November 17. Remaining buyers are in process.

191-195 Prospect Street – Financing proposal for permanent financing and rehab is being considered.

Updates

Inclusionary Housing Program Update

Staff presented a summary update of the Inclusionary Zoning program. The number of units has increased significantly in the past two years, with an additional 213 units in projects under review or with a special permit granted. It is expected that more than 130 new units will come online in 2013. The Inclusionary housing stock is now 454 units, with 268 rental and 186 homeownership.

Market production of Inclusionary units has been inconsistent. IZ unit production is again peaking, with the vast majority being rental units. There has been almost no homeownership production or permitting in the past two years.

Trust members asked if all the new production was at the luxury end of the market. Staff replied that it varies by area, with the highest market-rate housing coming in East Cambridge.

Staff also reported an increase in tenants triggering the minimum rent provision. Minimum rent is charged to households whose income falls below 40% of Area Median Income (AMI). The minimum rent policy adopted by the Trust sets the rent for those households at a minimum of 30% of 40% of AMI.

The program continues to work well, with the Rental Applicant Pool receiving multiple applications on a rolling basis. The Pool allows for efficient vetting of tenants, who are then sent from the Pool to individual management companies for screening. Trust members emphasized that it was important for the Division to ensure that they have the appropriate resources to manage the ongoing tenant selection, recertification and turnover of the increased number of units, and to do strategic thinking about what is required to maintain the successful operation of the program as the number of IZ units increases.

Kendall and Central Planning Update

Staff updated the Trust on the ongoing Kendall and Central Square planning processes. Recommendations for Kendall Square were presented to the Planning Board on November 20th. The recommendations will be refined and presented to the City Council for discussion and potential vote in the future. The Central Square recommendations will be presented in December.

The housing portion of the recommendations focuses on ways to create middle-income housing in addition to the units required under the Inclusionary Zoning Ordinance. There is also a focus on how to incentivize the creation of family-sized units. Staff will update the Trust as the process moves forward and the recommendations are further considered by the Planning Board and the City Council.

At this point, the Chair left the meeting to deal with a City emergency. Jim Stockard, as senior Trust member, assumed the role of Chair.

Preservation Update

Staff updated the Trust on the potential sale of 2 Mount Auburn Street. Harvard University has issued a notice under 40T, the law requiring that the state be notified when any affordable units are for sale. In mid-October, the state designated Homeowner's Rehab, Inc. (HRI) to have the right to make the first offer to purchase under 40T. If HRI does not make an offer, or if their offer is declined, HRI will also have the right to match any other offer accepted at a later time. HRI has been conducting due diligence during this period as it considers preservation options.

Harvard has stated that they intend to sell the building as affordable housing. They have invited only affordable housing providers to bid.

At this time, the Chair requested that the Trust allow public comment on this topic. Upon a motion and seconded, public comment was allowed.

At 4:59, John Van Saun, resident of 2 Mount Auburn and president of the Tenant's Association, addressed the Trust. He distributed a copy of a letter from the Tenant's Association to Harvard, copy included in additional materials.

Mr. Van Saun stated that the residents had a list of concerns and requests for a new owner as regards the needs of the current tenants in the building. These include a life estate for all current tenants with no increase in rent; changes to the physical structure of the building to accommodate the need for services to assist residents aging in place; and funding contracts guaranteed to cover any future operating deficiencies in the building.

New SRO Housing

MOVE TO EXECUTIVE SESSION

Mr. Stockard indicated that the next item for discussion before the Trust pertained to details regarding the potential acquisition of real property, and that continuing in open session might have a detrimental effect on the negotiations. At 5:13, Mr. Stockard entertained a motion to go into Executive Session to discuss this matter, and indicated that the Trust would resume in Open Session at the conclusion of the Executive Session.

Upon a motion moved, seconded and approved by a 6-0-3 roll call, with Mr. Healy, Ms. Bates and Mr. Daly recorded as absent, the meeting went into executive session.

Executive Session

RETURN TO OPEN SESSION

At 5:23, Mr. Stockard entertained a motion to return the meeting to Open Session. Upon a motion moved, seconded, and approved by a 6-0-3 roll call, with Mr. Healy, Ms. Bates and Mr. Daly recorded as absent, it was voted to return to Open Session.

ADJOURNMENT

The meeting adjourned at 5:23. The next meeting is scheduled for Thursday, December 20, 2012 at 4:00 p.m.

OTHER MATERIALS

- Meeting Minutes from the Trust's September 27, 2012 meeting
- Status of Active Projects – Cambridge Affordable Housing Trust
- Letter to the Trust from 2 Mount Auburn Tenant's Association