

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
July 26, 2012

Ackerman Room, City Hall
795 Massachusetts Ave.

Trustees Present: Robert W. Healy, Beverly Bates, Peter Daly, Florrie Darwin, Michael Haran, Gwen Noyes, Jim Stockard, William Tibbs

Trustees Absent: Beverly Bates, Florrie Darwin, Susan Schlesinger

Staff Present: Brian Murphy, Assistant City Manager for Community Development; 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 June 28, 2012 meeting.

PROJECT UPDATES

YMCA Central House – All interior rehab is complete and exterior work is wrapping up. Ribbon cutting event held 6/5.

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

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

78-80 Porter Road – CAHC is preparing to submit One-Stop pre-application to DHCD.

625 Putnam Avenue – Project is complete and fully occupied.

7 Temple Street – CHA is in process of addressing a funding gap (see request below) and hopes to begin construction in the fall.

424-430 Windsor Street - Construction is underway with an expected completion at the beginning of September. Lottery held; buyers beginning unit selection.

Cambridge Court – Financing closed and project is under construction.

Chapman Arms – HRI is preparing to submit One-Stop pre-application to DHCD.

Bishop Allen Apartments (aka Norstin) – Just A Start is preparing to submit One-Stop pre-application to DHCD.

Updates

Inclusionary Housing Program

Staff reported that they are seeing a substantial increase in IZ activity over last few months, including approval of several new large projects with more under review. It was reported that the number of IZ units is expected to double in the next several years. Trust members expressed their satisfaction at the apparent success of the IZ program, in terms of number and location of units. Staff will provide a more in depth IZ summary at an upcoming Trust meeting.

Chronicle Article

Mr. Murphy reported that a reporter from the Chronicle was interested in producing a multi-week series of articles on housing-related matters. An update will be provided at an upcoming meeting.

Harwell Homes

Staff presented a brief update on Harwell Homes, a 56-unit cooperative built in the early 1970s. Over the last two years, staff have had a series of discussions with the residents of Harwell Homes on options for preserving and extending affordability at their development. With their HUD mortgage maturing this fall, staff said that they wanted to update the Trust on some of the early issues which have emerged as we continue to work with residents to put together a preservation plan. The issues included income and household-size eligibility for current residents, increases in carrying charges for current residents, and the potential financing of a share loan fund. After a brief discussion of each topic, it was agreed that staff would continue discussions with Harwell on preservation options with the expectation that a request for Trust financing would be brought to an upcoming meeting.

Requests

Temple Place Apartments

Staff presented a request from the Cambridge Housing Authority, on behalf of its subsidiary, the Cambridge Affordable Housing Corporation (CAHC), for \$1,987,921 in Trust financing for the construction of Temple Place Apartments. This funding request, along with a request for HOME funds being considered by the City, will provide the final pieces of financing necessary in order to begin construction on this long-awaited project. This request is in addition to the Trust's initial commitment to the project of \$3,010,000 in acquisition and predevelopment financing, approved in May 2008. Together, the total Trust commitment to the project would be \$4,997,921 (\$118,998/per unit).

Since the Trust's first commitment, the project has faced a number of hurdles. In July 2008, the CHA received a comprehensive permit to build Temple Place. The permit was appealed by

abutters in August 2008. In April 2011, a settlement with the abutters was reached which meant that the project could proceed. Following resolution of the permit appeal, the CHA reapplied to DHCD and received commitments of state funding and tax credits in October 2011.

In December 2011, CHA closed on the ground lease with the YWCA and has since been working to complete its design and prepare for construction bidding. Over the last several months, after a cost estimate came back with construction costs significantly higher than anticipated, staff worked with the CHA to review and revise the design in order to reduce the cost of the project. The high development cost at Temple can be attributed to three general factors: the cost of the multi-year permit litigation; CHA-specific requirements related to bidding, procurement, and wages; and, building-specific design factors, as described in further detail in the Trust's briefing materials.

The CHA is preparing to go out to bid in early August, with bids due in mid September. The CHA hopes to close in October and begin demolition and construction shortly thereafter. Given the aggressive timetable needed for getting Temple Place into construction, staff wanted to review this request with the Trust as soon as possible. Where the CHA has recently received a significant commitment of additional tax credits from DHCD and has significantly reduced its developer fee, staff want to assist CHA in its efforts to get into construction and avoid any further delay and corresponding cost increase to the project.

Temple Place Apartments will provide 42 new high-quality, well-designed rental units to low and moderate income families. CHA's request for \$1,987,921 will complete the financing for this project. The Trust approval will enable this long-awaited project to finally move forward.

Upon a motion moved and seconded, it was:

Voted to approve the CAHC's request for an additional \$1,987,921 in permanent financing, contingent on the following:

1. CDD staff approval of the final development budget;
2. CDD staff approval of construction plans and specifications;
3. Firm written commitments from all project funding sources;
4. CDD staff approval of the tenant selection and marketing plan;
5. Standard Trust terms and conditions

ADJOURNMENT

The meeting adjourned at 5:05. The next meeting is scheduled for Thursday, August 23, 2012 at 4:00 p.m.

OTHER MATERIALS

- Meeting Minutes from the Trust's June 28, 2012 meeting
- Status of Active Projects – Cambridge Affordable Housing Trust
- Temple Place Memo