

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
March 28, 2013

Ackerman Room, City Hall  
795 Massachusetts Ave.

Trustees Present: Robert Healy, Chair; Peter Daly, Michael Haran, James Stockard, William Tibbs

Trustees Absent: Florrie Darwin, Gwen Noyes, 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

Others Present: Elaine DeRosa; Cheryl-Ann Pizza-Zeoli; James Williamson

The meeting was called to order at 4:09 pm.

Upon a motion moved and seconded, it was voted to approve the minutes from the January 24, 2013 meeting.

**PROJECT UPDATES**

**117 Rindge Ave** – Heading Home has applied for DHCD funds and has completed a community process.

**424-430 Windsor Street** – Eleven units closed, three in process. All buyers are selected.

**191-195 Prospect Street** – Bridge financing closed; working on permanent financing and rehab plan.

**Bishop Allen Apartments (aka Norstin)** – Just A Start did not receive an award in the October round, and will apply for DHCD funding in the next round.

**Chapman Arms** – HRI received an award from DHCD funding in the October rental round. They are preparing a rehab plan and working with tenants.

**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 expected to be complete in mid-summer.

**78-80 Porter Road** – CAHC did not receive DHCD funding in the October round. Next step is to look at other financing options in conjunction with 195 Prospect Street.

**7 Temple Street** – CHA completed redesign after bids came back higher than expected. Changes have been approved by BZA and no appeal from abutters. Trust approved funds for YWCA to complete demo at site to complete rehab work at YWCA building.

**Cambridge YWCA** – Construction closing complete; rehab is now underway. Demo at pool building site to begin.

**Inclusionary Update** – Many large projects are underway, with the stock of affordable IZ units expected to increase dramatically in the next two years. Trust members expressed concerns that the units created by the market do not meet the needs of families. Trust members also inquired about the amount of staff time required to handle the rent recertifications, tenant issues, and other compliance duties of the City. Trust members also inquired about the turnover in IZ units. Staff explained that this varies by unit size, with very little turnover in larger units and more change in studios and one-bedroom units. The upcoming “microunit” building, with very small studio units, was also discussed as a potential marketing challenge.

### **New Business**

#### **Homeownership Management Software**

Staff presented a request for \$10,000 to purchase a license to use software specifically developed to manage permanently affordable homeownership units. There are currently more than 520 units in the affordable ownership stock. Approximately two percent of the units turn over each year. In addition, there are numerous refinancing and other owner contact. The proposed system would allow staff to manage all aspects of the homeownership program and the stock, including ongoing costs, rehab work, owner data and applications. This program will reduce the staff time required to manage the program. It will also allow for efficient creation of reports on various aspects of the ownership program, as well as connecting to national data to allow the City to compare aspects of its program to other comparable programs. The program is web-based, and would not require any additional hardware or City MIS involvement. The requested funds would cover initial setup and costs for the first year. There will be ongoing annual licensing costs not covered by this request.

Upon a motion moved and seconded, it was:

VOTED: to approve the request for \$10,000 to cover costs associated with purchasing a software system to facilitate the management of the affordable homeownership program.

### **Other Business**

**2 Mount Auburn Street** - Harvard announced that it was going to sell the building to HRI. HRI was designated by DHCD under the 40T law. HRI is working on a capital needs assessment and other due diligence.

**Incentive Zoning** - The Trust received a payment from Skanska under the terms of the Incentive Zoning Ordinance. The payment of \$470,000 will be deposited to the Trust. Trust members inquired about other upcoming payments under Incentive Zoning. Staff replied that there will be several in the next few years, including from the EF Building, but the exact amounts are to be determined.

## K2C2/Middle Income Planning Update

Staff presented an update on the ongoing K2C2 planning process, with a focus on the discussions of middle-income housing. Staff presented demographic information on the current makeup of Cambridge households. Using data from various census sources, CDD staff analysis showed that the largest increase in Cambridge households occurred in the highest income brackets. There was a moderate increase in the lower income brackets, with a decrease in middle-income households. Staff also presented data on trends in housing costs for both rental and ownership. This data shows that options for households under 120% of AMI continue to decrease.

Both the Kendall and Central study committees have added middle-income housing as a priority and a focus of community benefits packages from developers. The Central Square committee has also discussed the potential use of City-owned parking lots on Bishop Allen Drive for the development of housing that would include a middle-income component. Both committees, as well as the proposed MIT zoning petition, allow developers to build above a certain height provided a portion of the additional floor area is provided as middle income housing.

Trust members discussed the issue of unit types and sizes, recognizing that middle-income housing should target families and therefore provide larger units than are typically provided through market-based programs such as Inclusionary Zoning. Other issues discussed were the pricing structure for middle-income rental, where 30% of income as a payment standard may not appeal to households with other options. Staff discussed the need to develop the best program possible, while understanding that this is a new idea and all programs should be viewed as pilots.

(Bill Tibbs left at 5:00 p.m.)

The Trust also discussed looking at the current Inclusionary Zoning percentage and potentially commissioning an update of the Nexus Study to confirm that the current formula is still appropriate.

## **ADJOURNMENT**

The meeting adjourned at 5:10. The next meeting is scheduled for Thursday, April 25, 2013 at 4:00 p.m.

## **OTHER MATERIALS**

- Meeting Minutes from the Trust's November 29, 2012 meeting
- Status of Active Projects – Cambridge Affordable Housing Trust
- Funding request for Homeownership Management Software
- Memo on Housing for Middle Income Households