

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
January 23, 2014

Ackerman Room, City Hall  
795 Massachusetts Ave.

Trustees Present: Richard Rossi, Chair; Peter Daly, Florrie Darwin, Michael Haran, Gwen Noyes, Susan Schlesinger, William Tibbs

Trustees Absent: James Stockard

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; Deborah Ruhe, James Williamson

The meeting was called to order at 4:05 pm.

Upon a motion moved and seconded, it was voted to approve the minutes from the November 21, 2013 meeting as submitted.

## **PROJECT UPDATES**

**Jefferson Park State Public Housing** – The CHA received award of DHCD HILAPP funding and is now preparing for zoning process and next steps.

**Putnam Square/2 Mt Auburn** – Work on early stage construction is underway; HRI preparing for summer closing of full construction financing.

**131 Harvard Street/Port Landing** – Preparing to reapply for DHCD funding in the spring round.

**Bishop Allen Apartments (aka Norstin)** – Just A Start is bidding the project in advance of a late spring construction closing.

**78-80 Porter Road** – CAHC looking at other financing options, possibly in conjunction with 195 Prospect Street.

**7 Temple Street** – Construction is underway with an expected completion date of late 2014.

**Zoning Update** – As first discussed at the Trust's December meeting, staff described several ongoing discussions about potential zoning changes. In addition to the continuing discussion of the K2C2 recommendations, the City Council has discussed increasing the Inclusionary Zoning percentage from 15 percent to 18 percent. There is also potential for a Middle Income Housing requirement based on K2C2 recommendations. These matters are likely to be discussed by the new City Council.

**Incentive Study Update** – staff informed the Trust that the City Council had been informed of the plans to seek a consultant to update the Incentive Zoning study, as discussed and approved

at the December meeting, and that they expected that the RFP would be issued in the coming weeks.

**Trust/Council Housing Roundtable Update** – originally scheduled for December, the Trust/City Council meeting was postponed. While a new date has not yet been set, Trust members discussed briefly the range of topics which they hoped might be included on the agenda, and agreed that demographic and other data would help facilitate discussions once the meeting had been rescheduled.

**Middle Income Housing Survey Update** – staff informed the Trust that the housing survey, to be conducted by a professional market research firm, should get underway soon. The resulting data would provide a statistically significant sample size from which to gain insight into middle-income housing needs and demand for housing designed to be affordable to households in this range. This will supplement anecdotal data and help inform the development of programs. The survey will be conducted via phone and targeted to current Cambridge residents likely to fall in the this income range.

**Trust Audit Update** – Trust members supported the plan for a full financial audit of the Trust, as discussed at prior meetings, and were informed that a request for funding of the audit would be brought to an upcoming Trust meeting.

**Trust Vacancy Update** – The Trust was updated on the status of filling the existing vacancy on the Board; the Chair had received a number of applications from interested residents and was in the process of setting up interviews with the top candidates. Given the need for five members to be present to meet quorum requirements, and the difficulty in recent months of achieving quorum given the schedules of Trust members, the Chair noted the importance of filling this vacancy. The Chair further noted the many program and policy topics he hoped to discuss with the Trust which are also the subject of policy discussions in other arenas.

## **New Business**

### **University Park – Tenant Selection Guidelines**

On behalf of Forest City, staff proposed guidelines for the selection of tenants for affordable units located in two privately-owned buildings in the Cambridgeport Revitalization Development District (CRDD), which, under terms of recently adopted changes to the Zoning Ordinance, will transition to be administered using the rent and other requirements, policies and procedures used for units subject to the provisions of Inclusionary Housing Ordinance, Section 11.200. Staff explained that in 2013, the Zoning Ordinance was amended to allow for the redevelopment of 300 Massachusetts Avenue as proposed by Forest City. As discussed in detail in the January 2014 Trust briefing materials, as part of the rezoning approval, Forest City offered the City through a Letter of Commitment certain commitments and conditions accompanying the amended CRDD zoning, including commitments related to longstanding requirements for affordable housing within the CRDD. The 2013 zoning amendment, which incorporates the Letter of Commitment, increased the number of required affordable units from 150 to 168, required that all 168 units be deed-restricted with affordability terms equal to the remaining 75-year groundlease periods for each of the four buildings, and required that units be administered “using the same rent and other requirements, policies, and procedures used for units subject to Section 11.200,” the City’s Inclusionary Ordinance (with the exception of income which is still governed by Section 15.32).

These requirements include recording deed restrictions for all 168 units and adopting tenant selection and unit oversight procedures which reflect the procedures used for Inclusionary housing.

The proposed guidelines are modeled on the City's tenant selection plan for Inclusionary Housing units and were modeled on the City's preferences, procedures, and practices for selecting tenants in Inclusionary housing units, with a few notable differences which are necessary given the other regulatory requirements which are in place for Forest City affordable units.

Because Forest City buildings are subject to other affordability restrictions, and because these affordability requirements are district-wide (via Section 15.32 rather than building-specific like Inclusionary requirements), there will have to be some differences in the ways in which affordable units will be administered in Forest City properties. For instance, the existing bond financing has income limits of 50% AMI, rather than the Inclusionary income limit of 80% AMI, allowing these units to serve lower income applicants who may not be eligible for Inclusionary Housing units.

Given these differences, it was concluded that approval of the Forest City plans by the Affordable Housing Trust was advisable in order to ensure that Forest City was meeting its requirement to administer its units compliant with the requirements of Section 11.200. As you know, the Trust has the authority to approve policies under the Inclusionary Housing Ordinance, Section 11.200.

After a discussion, the Trust agreed to accept the guidelines subject the conditions listed below. Upon a motion moved and seconded, it was:

VOTED: to approve the Forest City Tenant Selection Guidelines, as presented and described in the January 31, 2014 briefing materials, subject to the following conditions:

1. Approval is contingent on staff approval of all related tenant selection and marketing documents to be used by Forest City including applications, screening documents, questionnaires, and marketing plans which all must be consistent with the approved tenant selection guidelines;
2. That staff monitor the tenant selection process to ensure compliance with the guidelines as intended;
3. That staff report back to the Trust in one year on how the process is working, and that the Trust may revisit this approval if necessary.

### **Funding for FY14 non-profit housing development**

Staff requested a commitment of \$152,000 in non-CPA funds to offset a reduction in CDBG funds available to support non-profit housing development and preservation activities in FY14. As discussed at prior meetings, new regulations and changes in oversight of the CDBG program have made it more difficult to fund housing development with CDBG in recent years.

In FY14 the City allocated \$76,000 in CDBG funds to both Just A Start and Homeowner's Rehab, Inc., for a total of \$152,000. While HUD supports the intent of the contracts, there are concerns about using CDBG in projects that may not go forward or

may encounter delays in achieving reportable outcomes. At this point we expect the funds will be very limited in their use for certain housing preservation and development projects, and will be increasingly difficult to use for newer efforts (i.e. resale units and new opportunities).

The flexibility of these contracts remains helpful in responding to emerging needs and new opportunities, the Trust's commitment of non-CPA funds to replace this funding in FY14 will allow for this flexibility to continue. CDBG funds budgeted for these contracts will become available for other affordable housing uses and may be used to reduce Trust commitments to certain approved projects.

Upon a motion moved and seconded, with Mr. Daly absent from discussion and vote, it was:

VOTED: to approve the request of \$152,000 to replace CDBG funding for FY14 non-profit housing development contracts.

The meeting adjourned at 5 p.m. The next meeting is scheduled for Thursday, February 27th at 4 p.m.