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## CITY OF CAMBRIDGE

Community Development Department

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**IRAM FAROOQ**

Assistant City Manager for  
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**SANDRA CLARKE**

Deputy Director  
Chief of Administration

**KHALIL MOGASSABI**

Deputy Director  
Chief of Planning

# Affordable Housing Trust

June 23, 2022, 4:00 p.m.

To participate in this meeting hosted on the Zoom video meeting platform, please register using this [link](#) in advance of the meeting.

[Webinar Registration - Zoom](#)

### AGENDA

- Review of Meeting Minutes
- Update from the Community Development Department
- 116 Norfolk Street: Cambridge Housing Authority is requesting up to \$10,161,150 to assist in their rehabilitation and expansion of this building as affordable rental housing
- Request for Annual Appropriations for FY2023: CDD is requesting \$682,615 to support non-profit housing providers affordable housing preservation and development programs, CDD Housing Division staff, and CDD Housing Division program operations in FY2023
- Adjournment

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Members of the public can provide written comments to the Affordable Housing Trust by email sent to [ccotter@cambridgema.gov](mailto:ccotter@cambridgema.gov), or by delivery to the CDD office, by 5:00 P.M. the day before the meeting.

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
April 28, 2022 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Louis DePasquale, Chair; Peter Daly, Florrie Darwin, Elaine DeRosa, Gwen Noyes, Susan Schlesinger, Jim Stockard, Elaine Thorne, Bill Tibbs

Staff Present via Zoom: Chris Cotter, Housing Director; Cassie Arnaud, Senior Housing Planner; Janet Haines, Housing Planner; Maura Pensak, Housing Liaison; Emily Salomon, Associate Housing Planner; Marlees West, Community Engagement Manager

Others Present via Zoom: Michael Brandon, Bo Fuji, Matt LaRue, Damien Winsome

The acting chair, Jim Stockard, called the meeting to order at 4:01 p.m. Chris Cotter explained that this meeting of the Affordable Housing Trust would be held virtually pursuant to the temporary emergency orders currently in place, that all votes would be taken by roll call, and that there would be no public comment. Mr. Cotter then coordinated to confirm that each participant was audible to each of the other Trust members.

#### MEETING MINUTES

Upon a motion moved and seconded, by roll call of eight in favor and one absent (Mr. DePasquale) to approve the minutes for the meeting of Thursday, March 24, 2022.

Louie DePasquale joined at 4:07 p.m.

#### UPDATE FROM CDD

**HomeBridge:** Six buyers have active commitments and one home is pending to close this month. One home closed last month.

**Homeownership Resale Program:** Two units are under agreement. Staff are waiting for offers of another unit that has recently been marketed. Resale units are being made available to new buyers under a revised process adopted due to the pandemic to offer virtual unit tours.

**2072 Mass Ave.:** Capstone/Hope team withdrew their request for a comprehensive permit at the September BZA hearing but remain committed to creating affordable housing at this site. The developers are assessing next steps and options.

**Park View Cooperative:** Staff has been working with residents of the Cooperative in preparing to close on the loan commitment. The Coop has selected a new contractor to bid on the project.

**Fresh Pond Apartments:** The owner continues to work with tenants, the CHA, and the City on transition to the new affordable program, which began on April 1, 2022.

**Rindge Commons Phase 1:** JAS is preparing to close on construction financing to begin construction of Phase 1. They have a commitment from an investor for New Market Tax Credits. JAS and the City are working out details regarding leasing a portion of the non-residential space for City-sponsored pre-kindergarten classrooms.

**Broadway Park:** JAS has had several community meetings to review its development proposal and expects to seek a comprehensive permit for the development. JAS is also seeking to assemble remaining funding needed for this development.

**35 Harvey Street:** HRI is preparing to renovate this property from SROs to studio apartments. HRI is in the process of assembling the remaining financing needed, with a goal of beginning construction later this year.

**1627 Mass Ave.:** In January 2022, the Trust approved funding to assist HRI with the purchase of this property from Lesley University to create affordable housing. Planning for site acquisition is underway.

**35 Cherry St.:** In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. The Trust will begin the process of selecting an affordable housing developer in the coming months.

**Inclusionary Housing:** The application period to accept online application process for a lottery of new inclusionary homeownership units at Saint James and Inman Crossing closed on March 4, 2022. The lottery drawing for 1-bedroom applicants occurred earlier today. The lottery drawing for 2- and 3-bedroom applicants are scheduled for early May.

The tenant selection plan at 165 Main Street is moving forward. There will be 63 affordable units at this property. 9 of the units are designated for middle-income residents.

The City's rental team is preparing to offer new units which will soon be complete at 95 Fawcett Street and at the intersection of First and Charles Street.

#### **AFFORDABLE HOUSING OVERLAY (AHO) UPDATES**

AHO projects are now added to the project update report.

**52 New St:** The Affordable Housing Overlay process is complete. JAS has local funds committed to the project and are preparing to apply for state funds.

**Jefferson Park Federal.** The Cambridge Housing Authority completed its second advisory design consultation with the Planning Board in February. The Planning Board issued the final Planning Board advisory design review report. The Affordable Housing Overlay process for this project is now complete and the CHA is now in the process of securing remaining funding needed to begin construction.

**116 Norfolk Street:** The Cambridge Housing Authority is proposing to renovate and expand its existing property at 116 Norfolk Street under the Affordable Housing Overlay. The CHA hosted the first community meeting in February and a second meeting earlier this week. A request for Trust funding is anticipated in the coming months.

**Walden Square II:** Winn Development is proposing a new infill AHO project on a portion of their existing Walden Square Apartments site. They held three AHO community meetings and had been scheduled to present their plans to the Planning Board in late 2021 but requested a delay to allow them time to revise their design. The developers held a community AHO meeting last month to present their revised plan to the public and will restart the advisory design review process at the Planning Board. A request for Trust funding is anticipated in the coming months.

**49 6<sup>th</sup> Street/Sacred Heart conversion:** POAH & Urban Spaces held two AHO community meetings in 2021; the first AHO advisory design consultation by the Planning Board as held on April 5, 2022. They are proposing the adaptive re-use of a portion of the Sacred Heart property into 46 units of affordable rental housing. A request for Trust funding is anticipated in the coming months. (see below for more details)

## **OTHER UPDATES**

A proposal to amend zoning to allow multifamily zoning city was sent to Housing Committee earlier this week.

## **NEW BUSINESS**

**49 Sixth Street:** Staff updated the Trust on the status of the proposed 49 Sixth Street redevelopment project. Preservation of Affordable Housing (POAH) is planning to convert a portion of the Sacred Heart property to affordable housing. The plan calls for creating 46 new affordable housing units under the Affordable Housing Overlay. The majority of the units will be family sized.

POAH conducted the AHO community meeting process in 2021 and has begun the advisory design review consultation with the Planning Board. On April 5, 2022, POAH presented their plans for the redevelopment of 49 Sixth St to the Planning Board at the initial design consultation. The Planning Board's preliminary design consultation report is expected to be issued in the coming weeks. In the meantime, staff expects to receive an updated request from POAH for Trust funding which staff will review in advance of bringing funding request to the Trust in the coming months. Staff said that while it is anticipated that the Trust request will be in line with other recent Trust-funded projects, the overall total development cost per unit is expected to be on the high side due to the widespread increases in construction costs which are being seen throughout the region and are attributable in part to the pandemic and supply chain issues. Staff will return to the Trust with more detail on Trust request and recommendations in coming months.

## **ADJOURNMENT**

Upon a motion moved and seconded, by roll call of nine in favor to adjourn the meeting.

Meeting adjourned at 4:30 pm.

The next meeting is scheduled for May 26, 2022, at 4:00 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's March 24, 2022 meeting
- Project update: Status of Active Commitments
- Community Development Department Memo, April 28, 2022: Conversion of 49 6th St/Sacred Heart by POAH

DRAFT

**Cambridge Affordable Housing Trust**

June 23, 2022

**Status of Active Commitments**

	Active Projects	Sponsor	Rental Units	Ownership Units	Status	Total Cost	Trust Commitment	Loan Amount Per Unit	Trust Approval Date
1.	HomeBridge program	CDD	currently approved buyers:	6	82 scattered site units purchased by first time buyers to-date. Program expansion up to 120% AMI now active. 1 unit closed June; 1 unit under agreement.	N/A	\$18,200,000	1-br: 40% sale 2-br: 45% sale 3-br: 50% sale	May 2011
2.	Homeownership Resale Program	CDD	currently active units:	18	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers.	N/A	\$7,500,000		December 2011
3.	Vail Court (139 Bishop Allen)	TBD	TBD	TBD	Trust and City hosted public meeting in 2017 to hear from the community on affordable housing needs and ideas for the redevelopment of Vail Court. Additional public meetings will be scheduled but are currently on hold pending the legal action taken by former owner.	TBD	TBD	TBD	N/A
5.	2072 Mass. Ave.	Capstone Hope	TBD	TBD	Capstone/Hope purchased site in April 2018 and sought a comprehensive permit to enable the construction of a new 48 unit affordable housing building but withdrew their request at the September 2021 BZA hearing; they remain committed to creating affordable housing at this site and are assessing next steps and options.	TBD	\$5,071,000	TBD	February 2018 and June 2021
6.	52 New Street	JAS	107		JAS purchased the site in early 2020 and is permitting the project through the Affordable Housing Overlay. After JAS held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 10/16/21, and again on 1/4/22. A final Planning Board report has since been issued. The Trust increased its predevelopment loan for the project in January 2022. Meanwhile, JAS is assembling the final pieces of funding needed to begin construction.	TBD	\$18,025,390	\$168,462	October 2019, June 2021, January 2022
7.	Park View Coop (24-26 Corporal McTernan Street)	Park View Coop		12	Funds committed May 2021; Preparing to close on funding commitment	TBD	\$4,199,215	\$349,935	March 2019 and May 2021
8.	Fresh Pond Apartments (362 and 364 Rindge Ave)	Schochet	504		In March 2020, the Trust committed funding for the preservation of Fresh Pond Apartments. This commitment was combined with \$15 million in City funding which was appropriated by the Council. After many months of preparation, the Fresh Pond Apartments funding closed on October 6, 2021 and a new 50 year affordable restriction was recorded. The owner has been working with the CHA, City and tenants to certify tenant incomes in advance of beginning the new program on April 1, 2022. The transition to the new program is continuing.	\$34,533,179	\$34,533,179	\$68,518	March 2020
9.	Rindge Commons - Phase 1 (site of 402 Rindge Ave)	JAS	24		In June 2020, the Trust approved funding for the first phase of Rindge Commons. Following PB hearing in early August, BZA voted to approve a comprehensive permit for the project on August 23, 2020. JAS is completing efforts to close on construction financing for Phase 1.	TBD	\$4,250,000	\$177,083	June 2020
10.	Broadway Park (240 Broadway)	JAS		15	In March 2021, the Trust approved funding to create 15 affordable homeownership units. JAS has had several community meetings to review its proposal and expects to seek a comprehensive permit for this development. JAS also will be seeking to assemble remaining funding needed for this development.	TBD	\$3,600,000	\$240,000	March 2021
11.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)	CHA	278		In September 2021, the Trust approved funding to assist with the comprehensive modernization of Jefferson Park Federal. After the CHA held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 11/9/21, and again on 2/15/22. A final Planning Board report has since been issued. The CHA is now in the process of assembling the remaining financing needed, with a goal of beginning construction before the end of 2022.	TBD	\$43,611,615	\$156,876	September 2021
12.	35 Harvey Street	HRI / Cascap	12		In November 2021, the Trust approved funding to assist with the renovation and reconfiguration of Harvey Street from SROs to studio apartments. HRI is in the process of assembling the remaining financing needed, with a goal of beginning construction later this year.	TBD	\$2,917,664	\$243,139	November 2021
13.	1627 Mass. Ave.	HRI	TBD	TBD	In January 2022, the Trust approved funding to assist with the purchase of this property from Lesley University to create affordable housing. Planning for site acquisition underway.	TBD	TBD	TBD	January 2022
14.	35 Cherry Street	TBD	TBD	TBD	In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. Transfer from MIT complete, planning for RFP to select affordable housing developer and process underway.	TBD	TBD	TBD	March 2022

**Total Units 976**

**Cambridge Affordable Housing Trust**

**Status of Affordable Housing Overlay (AHO) Developments**

	AHO Development	Developer	AHO Status & Activity	Rental Units	Ownership Units	Development Status
1.	<a href="#">52 New Street</a>	Just-A-Start Corporation	AHO Community meetings held on 2/25/21, 3/25/21, and 4/15/21. Planning Board design consultation held on 10/26/21 and 1/4/22. Design consultation completed January 2022; Final Planning Board report issued 1/20/22 and was transmitted to the Trust in its 1/27/22 briefing materials.	107		Design Consultation Complete; see above
2.	<a href="#">Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)</a>	Cambridge Housing Authority	AHO Community meetings held on 3/2/21, 4/1/21, and 10/19/21. Planning Board design consultation held 11/9/21 and 2/15/22. Final Planning Board report issued 3/9/22 and is being transmitted to the Trust in its 3/24/22 briefing materials.	278		Design Consultation Complete; see above
3.	<a href="#">Walden Square II (102 Sherman Street)</a>	WinnDevelopment Companies	AHO Community meetings held on 3/23/21, 4/13/21 and 5/27/21. Submission for first Planning Board advisory design consultation was withdrawn by developer on 11/16/21. Design revised based on community comments. Community meeting held 2/23/22.	~102		Original submission withdrawn; community meetings underway
4.	<a href="#">49 6th Street</a>	POAH & Urban Spaces	AHO Community meetings held on 7/27/21 and 11/3/21. First Planning Board advisory design consultation meeting held 4/5/22. Second design consultation meeting scheduled for 6/28/22.	~46		Design Consultation underway

5.	<a href="#">116 Norfolk Street</a>	Cambridge Housing Authority	First AHO community meeting held 2/10/22. Second community meeting held 4/26/22. First Planning Board advisory design consultation meeting scheduled for 7/5/22.	~62		Community meetings to begin.
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**Status of Active Inclusionary Housing Developments**

	Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	305 Webster Ave.	305 Webster Ave. Condominiums L	Covenant Recorded 8/11/17. Construction is complete. Lotteries complete and working with selected homebuyers.		4	Ordinance prior to revision
2.	St. James (1991 & 2013 Mass. Ave.)	Oak Tree	Converted to ownership. Construction is complete. Lotteries complete and working with selected homebuyers.		5	Ordinance prior to revision
3.	95 Fawcett Street	Ed Doherty	Ownership Covenant Recorded 12/29/2016. Covenant Amended to Rental recorded 12/27/2021. Tenant selection nearing completion.	5		Ordinance prior to revision
4.	Alexandria - 50 Rogers Street/Prism	Alexandria/Owner Amico	Covenant Recorded 6/4/19. Complete. Tenant selection nearing completion.	44		Zoning for Alexandria PUD
5.	Charles & Hurley Streets	Urban Spaces	Covenant recorded 8/6/19. Building Permit issued 9-3-19(Charles Street) and 12-23-19 (Hurley Street) Construction complete. Tenant selection nearing completion.	16		Ordinance prior to revision
6.	50 Cambridgepark Drive	Hanover	Covenant recorded 8/6/19. Building Permit issued 12-5-19. Under Construction and nearing completion.	55		Revised ordinance at 20% sf requirement
7.	165 Main Street	Mitimco	IHP Covenant recorded 12/17/19. Building Permit issued 12-20-19. Complete. Tenant selection beginning.	63		Zoning for MIT
8.	95-99 Elmwood	95-99 Realty	Covenant recorded. Building Permit issued 7-2-20. Under construction.		4	Ordinance prior to revision
9.	Cambridge Crossing, Building I	DivcoWest	Covenant recorded; Building Permit issued 8-24-20 Under construction. Completion expected fall 2022.	54		Ordinance prior to revision
10.	212 Hampshire Street	212 Hampshire LLC, Binoj Pradhan	Covenant recorded. Construction complete. Tenant selection underway	1		BZA requirement of affordable unit
11.	55 Wheeler Street	Toll Brothers	Covenant recorded 3/12/21. Building Permit issued 3/16/21. Under Construction. Completion of first phase of units expected in late 2022.	99		Revised ordinance at 20% sf requirement
12.	40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded. Building Permit issued. Under construction	48		All units are affordable
13.	605 Concord Ave.	Abodez Acorn	Covenant recorded; Building Permit issued 12/9/21	7		Revised ordinance at 15% sf requirement
14.	3-5 Linnaean	Willow Land Corp.	Covenant recorded; Building Permit issued.	1		Zoning for basement housing overlay
15.	1043-1059 Cambridge St.	418 Real Estate	Covenant recorded May 4, 2022.		3	Revised ordinance at 20% sf requirement

**Under Development:**

**393            16**

**Completed Units:**

**886            202**

**All Units:**

**1279            218**

**1497**

	Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	600 Massachusetts Ave.	418 Real Estate	IHP plan was submitted and under review	8		Revised ordinance at 20% sf requirement



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*Deputy Director  
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**MEMORANDUM**

**To:** Cambridge Affordable Housing Trust  
**From:** Chris Cotter, Housing Director  
Cassie Arnaud, Senior Housing Planner  
**Date:** June 23, 2022  
**Re:** 116 Norfolk Street – permanent supportive housing

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Cambridge Housing Authority is requesting up to \$10,161,150 to assist in their efforts to renovate and expand its existing 38-unit SRO property on Norfolk Street into 62 units of permanent supportive housing. We are completing our review and underwriting of this request, and in advance of presenting the request with a recommendation for approval by the Trust, wanted to provide the Trust with an overview of the request and CHA's plans and to get comments from the Trust to assist us in completing our review. We have been working with CHA and other City departments on this project for some time, and the City is very supportive of this request to expand housing options for residents at risk of or moving beyond homelessness. This memo includes a summary of the CHA's proposed supportive service plan and anticipated financing approach. We are working with CHA and others to finalize the financing approach and expect to have that completed for review by the Trust at our next meeting.

Background

The existing 116 Norfolk Street building dates to 1907 and was originally operated as a convent. The CHA renovated the property in 1975 as 38 SRO units with shared kitchens and bathrooms. The property is currently occupied by seniors and individuals with disabilities.

The CHA plans to reconfigure the existing 38 SRO units into 38 self-contained studio apartments and to construct a new rear addition to the historic building to contain an additional 24 studios. The completed 62-unit property will be leased to returning residents and to individuals coming out of homelessness.

The 116 Norfolk Street redevelopment will be permitted under the provisions of the Affordable Housing Overlay (AHO). Following a series of meetings with the surrounding neighborhood and direct abutters, the CHA held its two official AHO Community meetings in February and April 2022 and is scheduled to begin the Planning Board Advisory Design Review process on July 5, 2022.



### Design/Scope of Work

The existing building will undergo a comprehensive update including new plumbing, HVAC, heating, electrical and fire protection systems, as well as exterior work and site improvements to enhance accessibility and improved common areas. Upgrades will also include energy efficiency improvements such as added insulation and rooftop solar arrays. CHA determined that it would be too difficult and costly to retrofit the existing building to meet the more extensive but preferred Passive House standards so the building will be renovated to meet Enterprise Green Communities standards.

The CHA has designed the new addition to complement the existing structure and to be sited to maximize interior efficiency while also preserving the maximum number of existing trees and open space as feasible.

### Supportive Services Plan

The CHA will be partnering with Eliot Community Housing Services (Eliot) to provide residents with a robust set of services. The CHA selected Eliot through a Request for Services process held in 2021. The CHA reported that they conducted a thorough interview and reference check process and that the references for Eliot highlighted their history of hiring strong case managers, low turnover rates, and expertise navigating MassHealth, Medicaid and other insurance reimbursement programs and in accessing other available funding for homeless services. The CHA also received positive references from staff at the City's Department of Human Services Programs (DHSP) and have worked with DHSP on developing and vetting the proposed service plan.

It is anticipated that the total services budget for Norfolk Street will be in the range of \$550,000 annually. Funding for services will include a combination of Community Support for Persons Experiencing Chronic Homelessness (CSPECH) funding, MassHealth and Medicaid reimbursables, and through funds set aside in the building's operating budget. The CHA, after consultation with Eliot and DHSP, estimates that approximately \$284,000 of the service budget will be funded through CSPECH based on projections that at least 45 of the 62 residents will be eligible to receive \$6,314 in CSPECH funding annually. The additional \$263,730 will be included in the operating budget, of which \$188,730 will be used for tenant services, \$10,000 for tenant events, and \$65,000 for overnight staffing.

After renovations are complete, there will be four full-time on-site case managers, as well as part-time supervision by CSPECH related staff including Director and Housing Coordinator. There will also be off-hours emergency assistance as needed. Any unit which is not re-occupied by returning residents following renovations will be filled through the Cambridge Coordinated Access Network (C-CAN), a waitlist of people experiencing homelessness in Cambridge maintained by DHSP. DHSP staff will work

with the CHA and Housing staff to determine appropriate tenant selection approaches, including local preferences.

#### Funding Sources and Anticipated Trust Request

The CHA estimates that the total development cost (TDC) for 116 Norfolk will be in the range of \$44,425,000, or \$716,500/unit. The CHA is requesting up to \$10,161,150 in Trust funding (or \$163,890 per unit). The remaining funding sources for Norfolk Street are anticipated to include \$17,440,000 in 4% tax credit equity, \$5,351,000 in debt, \$11,000,000 in direct CHA funding and \$500,000 deferred developer fee. It should be noted that the CHA is proposing to proceed without DHCD soft funding at Norfolk Street. Initially the CHA had included a request of \$1,500,000 in DHCD funding but after discussions with DHCD staff and given the higher priority to access DHCD funding for Jefferson Park Federal, the CHA is proposing that the CHA increase its funding to replace the DHCD soft funding for Norfolk.

While a TDC of \$716,000 per unit is substantially higher than we would expect to see for studio units generally, we can understand this figure given historically high construction costs and, as we have discussed in relation to other CHA requests, that CHA is subject to public bidding requirements which further increase costs. While the TDC is higher than typical, a Trust request of \$163,890 per unit is in line with other recent new construction projects as shown below:

- 52 New Street: \$168,513 per unit (new construction)
- SquirrelWood: \$173,087 (new construction)
- Rindge Commons: \$177,083 per unit (new construction)
- Jefferson Park Federal: \$156,876 (new construction)

We convened a Project Review meeting consisting of Peter Daly, Susan Schlesinger, Bill Tibbs and Jim Stockard to discuss 116 Norfolk Street, including the CHA's proposed inclusion of supportive services in the operating budget and proposed replacement of DHCD funding with increased CHA funding. The PRC was overall supportive of both of these approaches, and the project overall, so long as the CHA funding is treated the same way in which DHCD soft funding would be treated and is not structured as a loan with priority over the Trust with regard to any repayment provisions.

#### Conclusion/Next Steps

The creation 62 units of permanently supportive housing at 116 Norfolk Street will greatly help address the City's need for safe and permanent housing for residents experiencing homelessness, and the proposed modifications to the existing building will make the existing housing more livable and healthier for returning and for new residents.

We expect to bring a formal funding request to the July or August Trust meeting. In the meantime, as noted, the CHA will be beginning the Planning Board Advisory Design Review process in July and will be working to assemble the remaining funding needed in time to begin construction before the end of the year.



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**MEMORANDUM**

**To: Cambridge Affordable Housing Trust**  
**From: Christopher Cotter, Housing Director**  
**Date: June 23, 2022**  
**Re: Request for Annual Appropriations for FY2023**

As the beginning of the new fiscal year approaches, we are requesting approval of \$682,615 in Trust funds for the FY2023 annual housing preservation and development contracts and operating support for CDD’s Housing Division as described below.

Non-Profit Housing Preservation & Development

*Non-Profit Agency Contracts:*

For FY2023, we are requesting \$445,115 in support for Homeowner's Rehab, Inc. (HRI) and Just A Start Corporation (JAS) to be used to support their efforts to develop and preserve affordable rental and homeownership housing in Cambridge. This funding is provided in addition significant funding provided by the Trust to each agency for specific affordable housing developments.

The following table summarizes the funding being requested to support each agency's housing development and preservation work in FY2023, as well as what was approved for FY2022:

	<u>FY2022</u>	<u>FY2023</u>
Just A Start	\$191,767	\$191,767
Homeowner’s Rehab, Inc.	\$253,348	\$253,348
Total – Housing Pres. & Dev. Contracts	\$445,115	\$445,115

For FY2023, we are maintaining the approach taken in recent years and requesting that the Trust fully fund the non-profit development contracts, while both HOME and CDBG funding will remain available to assist directly with affordable housing development and preservation efforts. In addition, CDBG funds will continue to be used to fund other City housing programs including the home improvement programs run by HRI and JAS, CEOC’s tenant organizing work, and JAS’ Mediation Services and Youthbuild programs.

*Expiring-use Funding:*

In addition, we are also requesting \$40,000 in funding for ongoing expiring-use preservation work. This is reduced significantly from \$75,000 FY22. As you may recall, when the Trust made its first authorization of expiring-use preservation funding in 2009, there were ten privately-owned properties in Cambridge which had affordability restrictions due to expire by 2023. Since that time, we have been successful at preserving nine of these properties, containing more than 1,100 affordable units, and are now completing the preservation of the remaining property, Fresh Pond Apartments. With the preservation of the 504-unit Fresh Pond Apartments recently completed, we expect there to be additional services we will need in FY 2023 as we complete the transition of the new affordable program for the 166 City-assisted units and set up operation of the rent phase-in reserve and other new components of the new affordable housing program for these units.

	<u>FY2022</u>	<u>FY2023</u>
Expiring Use Consulting	\$75,000	\$40,000

CDD Housing Division Staffing and Programs

*CDD Staffing:*

Since 2017, the Trust has provided funding to support additional CDD staffing for housing development and preservation work. The funding provided by the Trust has funds one full-time staff position and one part-time intern position. This Trust-funded staffing is in addition to the current 17.5 full-time positions in the Housing Division which are funded by the City

For FY2023 we are requesting \$150,000 which will continue funding for one full time position in the Housing Division and one part-time intern position. The following table summarizes the funding provided in FY2022 and the funding being requested for FY2023:

	<u>FY2022</u>	<u>FY2023</u>
CDD Staffing	\$140,000	\$150,000

*Homeownership Management Software:*

In FY2023, we are requesting \$15,000 in funding to cover the cost of our homeownership management software. This system is used for the ongoing management of the homeownership portfolio, including homeowners, applications, affordability restrictions, unit turnover, and financial management of the program. This request is unchanged from the amount that was approved in FY2022:

	<u>FY2022</u>	<u>FY2023</u>
Homeownership Management Software	\$15,000	\$15,000

*Legal Services and Administrative Costs:*

For FY2023, we are requesting \$25,000 for the CDD's legal services contract, which includes increased funding we expect to need as we expand the number of attorneys we engage to assist with our legal services. We are also requesting \$7,500 for miscellaneous administrative items. These amounts have increased from FY2022:

	<u>FY2022</u>	<u>FY2023</u>
Legal Services	\$14,000	\$25,000
Administrative Costs	\$7,500	\$7,500

Recommendation: Staff recommends that the Trust approve the following funds for FY2023 affordable housing efforts as outlined herein:

Non-profit Housing Preservation & Development	\$445,115
Expiring Use Preservation Funding	\$40,000
CDD Staffing	\$150,000
Homeownership Software	\$15,000
Legal Services	\$25,000
Miscellaneous / Administrative	\$7,500
TOTAL:	\$682,615



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**SANDRA CLARKE**

Deputy Director  
Chief of Administration

**KHALIL MOGASSABI**

Deputy Director  
Chief of Planning

## Affordable Housing Trust

June 23, 2021, 4:00 p.m.

To participate in this meeting hosted on the Zoom video meeting platform, please register using this [link](#) in advance of the meeting.

[Webinar Registration - Zoom](#)

### AGENDA

- Review of Meeting Minutes
- Update from the Community Development Department
- 116 Norfolk Street: Cambridge Housing Authority is requesting up to \$10,161,150 to assist in their rehabilitation and expansion of this building as affordable rental housing
- Request for Annual Appropriations for FY2023: CDD is requesting \$682,615 to support non-profit housing providers affordable housing preservation and development programs, CDD Housing Division staff, and CDD Housing Division program operations in FY2023
- Adjournment

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Members of the public can provide written comments to the Affordable Housing Trust by email sent to [ccotter@cambridgema.gov](mailto:ccotter@cambridgema.gov), or by delivery to the CDD office, by 5:00 P.M. the day before the meeting.

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
April 28, 2022 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Louis DePasquale, Chair; Peter Daly, Florrie Darwin, Elaine DeRosa, Gwen Noyes, Susan Schlesinger, Jim Stockard, Elaine Thorne, Bill Tibbs

Staff Present via Zoom: Chris Cotter, Housing Director; Cassie Arnaud, Senior Housing Planner; Janet Haines, Housing Planner; Maura Pensak, Housing Liaison; Emily Salomon, Associate Housing Planner; Marlees West, Community Engagement Manager

Others Present via Zoom: Michael Brandon, Bo Fuji, Matt LaRue, Damien Winsome

The acting chair, Jim Stockard, called the meeting to order at 4:01 p.m. Chris Cotter explained that this meeting of the Affordable Housing Trust would be held virtually pursuant to the temporary emergency orders currently in place, that all votes would be taken by roll call, and that there would be no public comment. Mr. Cotter then coordinated to confirm that each participant was audible to each of the other Trust members.

#### MEETING MINUTES

Upon a motion moved and seconded, by roll call of eight in favor and one absent (Mr. DePasquale) to approve the minutes for the meeting of Thursday, March 24, 2022.

Louie DePasquale joined at 4:07 p.m.

#### UPDATE FROM CDD

**HomeBridge:** Six buyers have active commitments and one home is pending to close this month. One home closed last month.

**Homeownership Resale Program:** Two units are under agreement. Staff are waiting for offers of another unit that has recently been marketed. Resale units are being made available to new buyers under a revised process adopted due to the pandemic to offer virtual unit tours.

**2072 Mass Ave.:** Capstone/Hope team withdrew their request for a comprehensive permit at the September BZA hearing but remain committed to creating affordable housing at this site. The developers are assessing next steps and options.

**Park View Cooperative:** Staff has been working with residents of the Cooperative in preparing to close on the loan commitment. The Coop has selected a new contractor to bid on the project.

**Fresh Pond Apartments:** The owner continues to work with tenants, the CHA, and the City on transition to the new affordable program, which began on April 1, 2022.



**Rindge Commons Phase 1:** JAS is preparing to close on construction financing to begin construction of Phase 1. They have a commitment from an investor for New Market Tax Credits. JAS and the City are working out details regarding leasing a portion of the non-residential space for City-sponsored pre-kindergarten classrooms.

**Broadway Park:** JAS has had several community meetings to review its development proposal and expects to seek a comprehensive permit for the development. JAS is also seeking to assemble remaining funding needed for this development.

**35 Harvey Street:** HRI is preparing to renovate this property from SROs to studio apartments. HRI is in the process of assembling the remaining financing needed, with a goal of beginning construction later this year.

**1627 Mass Ave.:** In January 2022, the Trust approved funding to assist HRI with the purchase of this property from Lesley University to create affordable housing. Planning for site acquisition is underway.

**35 Cherry St.:** In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. The Trust will begin the process of selecting an affordable housing developer in the coming months.

**Inclusionary Housing:** The application period to accept online application process for a lottery of new inclusionary homeownership units at Saint James and Inman Crossing closed on March 4, 2022. The lottery drawing for 1-bedroom applicants occurred earlier today. The lottery drawing for 2- and 3-bedroom applicants are scheduled for early May.

The tenant selection plan at 165 Main Street is moving forward. There will be 63 affordable units at this property. 9 of the units are designated for middle-income residents.

The City's rental team is preparing to offer new units which will soon be complete at 95 Fawcett Street and at the intersection of First and Charles Street.

#### **AFFORDABLE HOUSING OVERLAY (AHO) UPDATES**

AHO projects are now added to the project update report.

**52 New St:** The Affordable Housing Overlay process is complete. JAS has local funds committed to the project and are preparing to apply for state funds.

**Jefferson Park Federal.** The Cambridge Housing Authority completed its second advisory design consultation with the Planning Board in February. The Planning Board issued the final Planning Board advisory design review report. The Affordable Housing Overlay process for this project is now complete and the CHA is now in the process of securing remaining funding needed to begin construction.

**116 Norfolk Street:** The Cambridge Housing Authority is proposing to renovate and expand its existing property at 116 Norfolk Street under the Affordable Housing Overlay. The CHA hosted the first community meeting in February and a second meeting earlier this week. A request for Trust funding is anticipated in the coming months.

**Walden Square II:** Winn Development is proposing a new infill AHO project on a portion of their existing Walden Square Apartments site. They held three AHO community meetings and had been scheduled to present their plans to the Planning Board in late 2021 but requested a delay to allow them time to revise their design. The developers held a community AHO meeting last month to present their revised plan to the public and will restart the advisory design review process at the Planning Board. A request for Trust funding is anticipated in the coming months.

**49 6<sup>th</sup> Street/Sacred Heart conversion:** POAH & Urban Spaces held two AHO community meetings in 2021; the first AHO advisory design consultation by the Planning Board as held on April 5, 2022. They are proposing the adaptive re-use of a portion of the Sacred Heart property into 46 units of affordable rental housing. A request for Trust funding is anticipated in the coming months. (see below for more details)

## **OTHER UPDATES**

A proposal to amend zoning to allow multifamily zoning city was sent to Housing Committee earlier this week.

## **NEW BUSINESS**

**49 Sixth Street:** Staff updated the Trust on the status of the proposed 49 Sixth Street redevelopment project. Preservation of Affordable Housing (POAH) is planning to convert a portion of the Sacred Heart property to affordable housing. The plan calls for creating 46 new affordable housing units under the Affordable Housing Overlay. The majority of the units will be family sized.

POAH conducted the AHO community meeting process in 2021 and has begun the advisory design review consultation with the Planning Board. On April 5, 2022, POAH presented their plans for the redevelopment of 49 Sixth St to the Planning Board at the initial design consultation. The Planning Board's preliminary design consultation report is expected to be issued in the coming weeks. In the meantime, staff expects to receive an updated request from POAH for Trust funding which staff will review in advance of bringing funding request to the Trust in the coming months. Staff said that while it is anticipated that the Trust request will be in line with other recent Trust-funded projects, the overall total development cost per unit is expected to be on the high side due to the widespread increases in construction costs which are being seen throughout the region and are attributable in part to the pandemic and supply chain issues. Staff will return to the Trust with more detail on Trust request and recommendations in coming months.

## **ADJOURNMENT**

Upon a motion moved and seconded, by roll call of nine in favor to adjourn the meeting.

Meeting adjourned at 4:30 pm.

The next meeting is scheduled for May 26, 2022, at 4:00 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's March 24, 2022 meeting
- Project update: Status of Active Commitments
- Community Development Department Memo, April 28, 2022: Conversion of 49 6th St/Sacred Heart by POAH

DRAFT

**Cambridge Affordable Housing Trust**

June 23, 2022

**Status of Active Commitments**

	Active Projects	Sponsor	Rental Units	Ownership Units	Status	Total Cost	Trust Commitment	Loan Amount Per Unit	Trust Approval Date
1.	HomeBridge program	CDD	currently approved buyers:	6	82 scattered site units purchased by first time buyers to-date. Program expansion up to 120% AMI now active. 1 unit closed June; 1 unit under agreement.	N/A	\$18,200,000	1-br: 40% sale 2-br: 45% sale 3-br: 50% sale	May 2011
2.	Homeownership Resale Program	CDD	currently active units:	18	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers.	N/A	\$7,500,000		December 2011
3.	Vail Court (139 Bishop Allen)	TBD	TBD	TBD	Trust and City hosted public meeting in 2017 to hear from the community on affordable housing needs and ideas for the redevelopment of Vail Court. Additional public meetings will be scheduled but are currently on hold pending the legal action taken by former owner.	TBD	TBD	TBD	N/A
5.	2072 Mass. Ave.	Capstone Hope	TBD	TBD	Capstone/Hope purchased site in April 2018 and sought a comprehensive permit to enable the construction of a new 48 unit affordable housing building but withdrew their request at the September 2021 BZA hearing; they remain committed to creating affordable housing at this site and are assessing next steps and options.	TBD	\$5,071,000	TBD	February 2018 and June 2021
6.	52 New Street	JAS	107		JAS purchased the site in early 2020 and is permitting the project through the Affordable Housing Overlay. After JAS held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 10/16/21, and again on 1/4/22. A final Planning Board report has since been issued. The Trust increased its predevelopment loan for the project in January 2022. Meanwhile, JAS is assembling the final pieces of funding needed to begin construction.	TBD	\$18,025,390	\$168,462	October 2019, June 2021, January 2022
7.	Park View Coop (24-26 Corporal McTernan Street)	Park View Coop		12	Funds committed May 2021; Preparing to close on funding commitment	TBD	\$4,199,215	\$349,935	March 2019 and May 2021
8.	Fresh Pond Apartments (362 and 364 Rindge Ave)	Schochet	504		In March 2020, the Trust committed funding for the preservation of Fresh Pond Apartments. This commitment was combined with \$15 million in City funding which was appropriated by the Council. After many months of preparation, the Fresh Pond Apartments funding closed on October 6, 2021 and a new 50 year affordable restriction was recorded. The owner has been working with the CHA, City and tenants to certify tenant incomes in advance of beginning the new program on April 1, 2022. The transition to the new program is continuing.	\$34,533,179	\$34,533,179	\$68,518	March 2020
9.	Rindge Commons - Phase 1 (site of 402 Rindge Ave)	JAS	24		In June 2020, the Trust approved funding for the first phase of Rindge Commons. Following PB hearing in early August, BZA voted to approve a comprehensive permit for the project on August 23, 2020. JAS is completing efforts to close on construction financing for Phase 1.	TBD	\$4,250,000	\$177,083	June 2020
10.	Broadway Park (240 Broadway)	JAS		15	In March 2021, the Trust approved funding to create 15 affordable homeownership units. JAS has had several community meetings to review its proposal and expects to seek a comprehensive permit for this development. JAS also will be seeking to assemble remaining funding needed for this development.	TBD	\$3,600,000	\$240,000	March 2021
11.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)	CHA	278		In September 2021, the Trust approved funding to assist with the comprehensive modernization of Jefferson Park Federal. After the CHA held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 11/9/21, and again on 2/15/22. A final Planning Board report has since been issued. The CHA is now in the process of assembling the remaining financing needed, with a goal of beginning construction before the end of 2022.	TBD	\$43,611,615	\$156,876	September 2021
12.	35 Harvey Street	HRI / Cascap	12		In November 2021, the Trust approved funding to assist with the renovation and reconfiguration of Harvey Street from SROs to studio apartments. HRI is in the process of assembling the remaining financing needed, with a goal of beginning construction later this year.	TBD	\$2,917,664	\$243,139	November 2021
13.	1627 Mass. Ave.	HRI	TBD	TBD	In January 2022, the Trust approved funding to assist with the purchase of this property from Lesley University to create affordable housing. Planning for site acquisition underway.	TBD	TBD	TBD	January 2022
14.	35 Cherry Street	TBD	TBD	TBD	In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. Transfer from MIT complete, planning for RFP to select affordable housing developer and process underway.	TBD	TBD	TBD	March 2022

**Total Units 976**

**Cambridge Affordable Housing Trust**

**Status of Affordable Housing Overlay (AHO) Developments**

	AHO Development	Developer	AHO Status & Activity	Rental Units	Ownership Units	Development Status
1.	<a href="#">52 New Street</a>	Just-A-Start Corporation	AHO Community meetings held on 2/25/21, 3/25/21, and 4/15/21. Planning Board design consultation held on 10/26/21 and 1/4/22. Design consultation completed January 2022; Final Planning Board report issued 1/20/22 and was transmitted to the Trust in its 1/27/22 briefing materials.	107		Design Consultation Complete; see above
2.	<a href="#">Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)</a>	Cambridge Housing Authority	AHO Community meetings held on 3/2/21, 4/1/21, and 10/19/21. Planning Board design consultation held 11/9/21 and 2/15/22. Final Planning Board report issued 3/9/22 and is being transmitted to the Trust in its 3/24/22 briefing materials.	278		Design Consultation Complete; see above
3.	<a href="#">Walden Square II (102 Sherman Street)</a>	WinnDevelopment Companies	AHO Community meetings held on 3/23/21, 4/13/21 and 5/27/21. Submission for first Planning Board advisory design consultation was withdrawn by developer on 11/16/21. Design revised based on community comments. Community meeting held 2/23/22.	~102		Original submission withdrawn; community meetings underway
4.	<a href="#">49 6th Street</a>	POAH & Urban Spaces	AHO Community meetings held on 7/27/21 and 11/3/21. First Planning Board advisory design consultation meeting held 4/5/22. Second design consultation meeting scheduled for 6/28/22.	~46		Design Consultation underway

5.	<a href="#">116 Norfolk Street</a>	Cambridge Housing Authority	First AHO community meeting held 2/10/22. Second community meeting held 4/26/22. First Planning Board advisory design consultation meeting scheduled for 7/5/22.	~62		Community meetings to begin.
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**Status of Active Inclusionary Housing Developments**

	Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	305 Webster Ave.	305 Webster Ave. Condominiums L	Covenant Recorded 8/11/17. Construction is complete. Lotteries complete and working with selected homebuyers.		4	Ordinance prior to revision
2.	St. James (1991 & 2013 Mass. Ave.)	Oak Tree	Converted to ownership. Construction is complete. Lotteries complete and working with selected homebuyers.		5	Ordinance prior to revision
3.	95 Fawcett Street	Ed Doherty	Ownership Covenant Recorded 12/29/2016. Covenant Amended to Rental recorded 12/27/2021. Tenant selection nearing completion.	5		Ordinance prior to revision
4.	Alexandria - 50 Rogers Street/Prism	Alexandria/Owner Amico	Covenant Recorded 6/4/19. Complete. Tenant selection nearing completion.	44		Zoning for Alexandria PUD
5.	Charles & Hurley Streets	Urban Spaces	Covenant recorded 8/6/19. Building Permit issued 9-3-19(Charles Street) and 12-23-19 (Hurley Street) Construction complete. Tenant selection nearing completion.	16		Ordinance prior to revision
6.	50 Cambridgepark Drive	Hanover	Covenant recorded 8/6/19. Building Permit issued 12-5-19. Under Construction and nearing completion.	55		Revised ordinance at 20% sf requirement
7.	165 Main Street	Mitimco	IHP Covenant recorded 12/17/19. Building Permit issued 12-20-19. Complete. Tenant selection beginning.	63		Zoning for MIT
8.	95-99 Elmwood	95-99 Realty	Covenant recorded. Building Permit issued 7-2-20. Under construction.		4	Ordinance prior to revision
9.	Cambridge Crossing, Building I	DivcoWest	Covenant recorded; Building Permit issued 8-24-20 Under construction. Completion expected fall 2022.	54		Ordinance prior to revision
10.	212 Hampshire Street	212 Hampshire LLC, Binoj Pradhan	Covenant recorded. Construction complete. Tenant selection underway	1		BZA requirement of affordable unit
11.	55 Wheeler Street	Toll Brothers	Covenant recorded 3/12/21. Building Permit issued 3/16/21. Under Construction. Completion of first phase of units expected in late 2022.	99		Revised ordinance at 20% sf requirement
12.	40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded. Building Permit issued. Under construction	48		All units are affordable
13.	605 Concord Ave.	Abodez Acorn	Covenant recorded; Building Permit issued 12/9/21	7		Revised ordinance at 15% sf requirement
14.	3-5 Linnaean	Willow Land Corp.	Covenant recorded; Building Permit issued.	1		Zoning for basement housing overlay
15.	1043-1059 Cambridge St.	418 Real Estate	Covenant recorded May 4, 2022.		3	Revised ordinance at 20% sf requirement

**Under Development:**

**393            16**

**Completed Units:**

**886            202**

**All Units:**

**1279            218**

**1497**

	Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	600 Massachusetts Ave.	418 Real Estate	IHP plan was submitted and under review	8		Revised ordinance at 20% sf requirement



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**CITY OF CAMBRIDGE**  
Community Development Department

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**IRAM FAROOQ**  
*Assistant City Manager for  
Community Development*

**SANDRA CLARKE**  
*Deputy Director  
Chief of Administration*

**KHALIL MOGASSABI**  
*Deputy Director  
Chief Planner*

**MEMORANDUM**

**To:** Cambridge Affordable Housing Trust  
**From:** Chris Cotter, Housing Director  
Cassie Arnaud, Senior Housing Planner  
**Date:** June 23, 2022  
**Re:** 116 Norfolk Street – permanent supportive housing

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Cambridge Housing Authority is requesting up to \$10,161,150 to assist in their efforts to renovate and expand its existing 38-unit SRO property on Norfolk Street into 62 units of permanent supportive housing. We are completing our review and underwriting of this request, and in advance of presenting the request with a recommendation for approval by the Trust, wanted to provide the Trust with an overview of the request and CHA's plans and to get comments from the Trust to assist us in completing our review. We have been working with CHA and other City departments on this project for some time, and the City is very supportive of this request to expand housing options for residents at risk of or moving beyond homelessness. This memo includes a summary of the CHA's proposed supportive service plan and anticipated financing approach. We are working with CHA and others to finalize the financing approach and expect to have that completed for review by the Trust at our next meeting.

Background

The existing 116 Norfolk Street building dates to 1907 and was originally operated as a convent. The CHA renovated the property in 1975 as 38 SRO units with shared kitchens and bathrooms. The property is currently occupied by seniors and individuals with disabilities.

The CHA plans to reconfigure the existing 38 SRO units into 38 self-contained studio apartments and to construct a new rear addition to the historic building to contain an additional 24 studios. The completed 62-unit property will be leased to returning residents and to individuals coming out of homelessness.

The 116 Norfolk Street redevelopment will be permitted under the provisions of the Affordable Housing Overlay (AHO). Following a series of meetings with the surrounding neighborhood and direct abutters, the CHA held its two official AHO Community meetings in February and April 2022 and is scheduled to begin the Planning Board Advisory Design Review process on July 5, 2022.

### Design/Scope of Work

The existing building will undergo a comprehensive update including new plumbing, HVAC, heating, electrical and fire protection systems, as well as exterior work and site improvements to enhance accessibility and improved common areas. Upgrades will also include energy efficiency improvements such as added insulation and rooftop solar arrays. CHA determined that it would be too difficult and costly to retrofit the existing building to meet the more extensive but preferred Passive House standards so the building will be renovated to meet Enterprise Green Communities standards.

The CHA has designed the new addition to complement the existing structure and to be sited to maximize interior efficiency while also preserving the maximum number of existing trees and open space as feasible.

### Supportive Services Plan

The CHA will be partnering with Eliot Community Housing Services (Eliot) to provide residents with a robust set of services. The CHA selected Eliot through a Request for Services process held in 2021. The CHA reported that they conducted a thorough interview and reference check process and that the references for Eliot highlighted their history of hiring strong case managers, low turnover rates, and expertise navigating MassHealth, Medicaid and other insurance reimbursement programs and in accessing other available funding for homeless services. The CHA also received positive references from staff at the City's Department of Human Services Programs (DHSP) and have worked with DHSP on developing and vetting the proposed service plan.

It is anticipated that the total services budget for Norfolk Street will be in the range of \$550,000 annually. Funding for services will include a combination of Community Support for Persons Experiencing Chronic Homelessness (CSPECH) funding, MassHealth and Medicaid reimbursables, and through funds set aside in the building's operating budget. The CHA, after consultation with Eliot and DHSP, estimates that approximately \$284,000 of the service budget will be funded through CSPECH based on projections that at least 45 of the 62 residents will be eligible to receive \$6,314 in CSPECH funding annually. The additional \$263,730 will be included in the operating budget, of which \$188,730 will be used for tenant services, \$10,000 for tenant events, and \$65,000 for overnight staffing.

After renovations are complete, there will be four full-time on-site case managers, as well as part-time supervision by CSPECH related staff including Director and Housing Coordinator. There will also be off-hours emergency assistance as needed. Any unit which is not re-occupied by returning residents following renovations will be filled through the Cambridge Coordinated Access Network (C-CAN), a waitlist of people experiencing homelessness in Cambridge maintained by DHSP. DHSP staff will work

with the CHA and Housing staff to determine appropriate tenant selection approaches, including local preferences.

#### Funding Sources and Anticipated Trust Request

The CHA estimates that the total development cost (TDC) for 116 Norfolk will be in the range of \$44,425,000, or \$716,500/unit. The CHA is requesting up to \$10,161,150 in Trust funding (or \$163,890 per unit). The remaining funding sources for Norfolk Street are anticipated to include \$17,440,000 in 4% tax credit equity, \$5,351,000 in debt, \$11,000,000 in direct CHA funding and \$500,000 deferred developer fee. It should be noted that the CHA is proposing to proceed without DHCD soft funding at Norfolk Street. Initially the CHA had included a request of \$1,500,000 in DHCD funding but after discussions with DHCD staff and given the higher priority to access DHCD funding for Jefferson Park Federal, the CHA is proposing that the CHA increase its funding to replace the DHCD soft funding for Norfolk.

While a TDC of \$716,000 per unit is substantially higher than we would expect to see for studio units generally, we can understand this figure given historically high construction costs and, as we have discussed in relation to other CHA requests, that CHA is subject to public bidding requirements which further increase costs. While the TDC is higher than typical, a Trust request of \$163,890 per unit is in line with other recent new construction projects as shown below:

- 52 New Street: \$168,513 per unit (new construction)
- SquirrelWood: \$173,087 (new construction)
- Rindge Commons: \$177,083 per unit (new construction)
- Jefferson Park Federal: \$156,876 (new construction)

We convened a Project Review meeting consisting of Peter Daly, Susan Schlesinger, Bill Tibbs and Jim Stockard to discuss 116 Norfolk Street, including the CHA's proposed inclusion of supportive services in the operating budget and proposed replacement of DHCD funding with increased CHA funding. The PRC was overall supportive of both of these approaches, and the project overall, so long as the CHA funding is treated the same way in which DHCD soft funding would be treated and is not structured as a loan with priority over the Trust with regard to any repayment provisions.

#### Conclusion/Next Steps

The creation 62 units of permanently supportive housing at 116 Norfolk Street will greatly help address the City's need for safe and permanent housing for residents experiencing homelessness, and the proposed modifications to the existing building will make the existing housing more livable and healthier for returning and for new residents.



We expect to bring a formal funding request to the July or August Trust meeting. In the meantime, as noted, the CHA will be beginning the Planning Board Advisory Design Review process in July and will be working to assemble the remaining funding needed in time to begin construction before the end of the year.



**CITY OF CAMBRIDGE**  
Community Development Department

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Deputy Director  
Chief Planner

**MEMORANDUM**

**To: Cambridge Affordable Housing Trust**  
**From: Christopher Cotter, Housing Director**  
**Date: June 23, 2022**  
**Re: Request for Annual Appropriations for FY2023**

As the beginning of the new fiscal year approaches, we are requesting approval of \$682,615 in Trust funds for the FY2023 annual housing preservation and development contracts and operating support for CDD’s Housing Division as described below.

Non-Profit Housing Preservation & Development

*Non-Profit Agency Contracts:*

For FY2023, we are requesting \$445,115 in support for Homeowner's Rehab, Inc. (HRI) and Just A Start Corporation (JAS) to be used to support their efforts to develop and preserve affordable rental and homeownership housing in Cambridge. This funding is provided in addition significant funding provided by the Trust to each agency for specific affordable housing developments.

The following table summarizes the funding being requested to support each agency's housing development and preservation work in FY2023, as well as what was approved for FY2022:

	<u>FY2022</u>	<u>FY2023</u>
Just A Start	\$191,767	\$191,767
Homeowner’s Rehab, Inc.	\$253,348	\$253,348
Total – Housing Pres. & Dev. Contracts	\$445,115	\$445,115

For FY2023, we are maintaining the approach taken in recent years and requesting that the Trust fully fund the non-profit development contracts, while both HOME and CDBG funding will remain available to assist directly with affordable housing development and preservation efforts. In addition, CDBG funds will continue to be used to fund other City housing programs including the home improvement programs run by HRI and JAS, CEOC’s tenant organizing work, and JAS’ Mediation Services and Youthbuild programs.

*Expiring-use Funding:*

In addition, we are also requesting \$40,000 in funding for ongoing expiring-use preservation work. This is reduced significantly from \$75,000 FY22. As you may recall, when the Trust made its first authorization of expiring-use preservation funding in 2009, there were ten privately-owned properties in Cambridge which had affordability restrictions due to expire by 2023. Since that time, we have been successful at preserving nine of these properties, containing more than 1,100 affordable units, and are now completing the preservation of the remaining property, Fresh Pond Apartments. With the preservation of the 504-unit Fresh Pond Apartments recently completed, we expect there to be additional services we will need in FY 2023 as we complete the transition of the new affordable program for the 166 City-assisted units and set up operation of the rent phase-in reserve and other new components of the new affordable housing program for these units.

	<u>FY2022</u>	<u>FY2023</u>
Expiring Use Consulting	\$75,000	\$40,000

CDD Housing Division Staffing and Programs

*CDD Staffing:*

Since 2017, the Trust has provided funding to support additional CDD staffing for housing development and preservation work. The funding provided by the Trust has funds one full-time staff position and one part-time intern position. This Trust-funded staffing is in addition to the current 17.5 full-time positions in the Housing Division which are funded by the City

For FY2023 we are requesting \$150,000 which will continue funding for one full time position in the Housing Division and one part-time intern position. The following table summarizes the funding provided in FY2022 and the funding being requested for FY2023:

	<u>FY2022</u>	<u>FY2023</u>
CDD Staffing	\$140,000	\$150,000

*Homeownership Management Software:*

In FY2023, we are requesting \$15,000 in funding to cover the cost of our homeownership management software. This system is used for the ongoing management of the homeownership portfolio, including homeowners, applications, affordability restrictions, unit turnover, and financial management of the program. This request is unchanged from the amount that was approved in FY2022:

	<u>FY2022</u>	<u>FY2023</u>
Homeownership Management Software	\$15,000	\$15,000

*Legal Services and Administrative Costs:*

For FY2023, we are requesting \$25,000 for the CDD's legal services contract, which includes increased funding we expect to need as we expand the number of attorneys we engage to assist with our legal services. We are also requesting \$7,500 for miscellaneous administrative items. These amounts have increased from FY2022:

	<u>FY2022</u>	<u>FY2023</u>
Legal Services	\$14,000	\$25,000
Administrative Costs	\$7,500	\$7,500

Recommendation: Staff recommends that the Trust approve the following funds for FY2023 affordable housing efforts as outlined herein:

Non-profit Housing Preservation & Development	\$445,115
Expiring Use Preservation Funding	\$40,000
CDD Staffing	\$150,000
Homeownership Software	\$15,000
Legal Services	\$25,000
Miscellaneous / Administrative	\$7,500
TOTAL:	\$682,615