

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
March 24, 2022 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Peter Daly, Florrie Darwin, Elaine DeRosa, Gwen Noyes, Elaine Thorne, Bill Tibbs

Trustees Absent: Louis DePasquale, Susan Schlesinger, Jim Stockard

Staff Present via Zoom: Mayor Sumbul Siddiqui; Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Senior Housing Planner; Anna Dolmatch, Homeownership Program Manager; Emily Salomon, Associate Housing Planner

Others Present via Zoom: Eighty-four individuals attended the meeting; individual names not listed due to the large number in attendance

The acting chair, Bill Tibbs, 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 six in favor and three absent (Mr. DePasquale, Ms. Schlesinger, and Mr. Stockard) to approve the minutes for the meeting of Thursday, March 3, 2022.

## UPDATE FROM CDD

**HomeBridge:** Six buyers have active commitments and one home to close this 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 is now selecting a new contractor to bid on the project.

**Fresh Pond:** The owner continues to work with tenants, the CHA, and the City to prepare for the official launch of the new affordable program on April 1, 2022

**Rindge Commons Phase 1:** JAS is preparing to close on construction financing to begin construction of Phase 1 in May 2022. 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 later this year.

**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.

**Inclusionary Housing:** The City is underway with a lottery application process for new inclusionary homeownership units at Saint James and Inman Crossing, and has accepted applications through a new online application. 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, a copy of which was transmitted to the Trust in this month's briefing materials (see below). The Affordable Housing Overlay process for this project is now complete.

**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. 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 is scheduled for 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.

#### **OTHER UPDATES**

On March 16, 2022, the Housing Committee held a public hearing to continue discussions around raising the Housing Contribution rate in the Incentive Zoning provisions to \$33.34 per square-foot for new non-

residential development. They recommend this increase be sent to the City Council for a zoning amendment to make this change.

On March 15, 2022, the Planning Board discussed zoning principles and concepts in response to the City Council's request to explore options to eliminate single family and two family only zones in the City of Cambridge. Continued discussion of this is expected by both the Planning Board and City Council.

## **NEW BUSINESS**

### **Homeownership Program Review Process**

Staff are beginning a review process of several of the City's affordable homeownership program policies, including: the calculation of an affordable homeownership unit's increase in value over time, often known as the "resale formula", how capital improvements are considered, the resale process, and inheritance. There are currently over 550 limited equity units in the City's affordable housing stock.

Anna Dolmatch, Homeownership Program Manager, opened the discussion by noting that all owners of affordable homes had been invited to attend the Trust meeting and that many owners are attending the meeting today. Trust members welcomed the owners in attendance and thanked them for joining.

Ms. Dolmatch gave a short PowerPoint presentation providing an overview of key elements of the City's homeownership program, including how the existing portfolio of homes were created, unit deed restrictions, the current resale formula, and inheritance policy.

Trust members had several questions about the resale formula and asked to see the percentage of return on equity so that it can be compared to other asset/investment returns. Ms. Dolmatch confirmed that this data is tracked as both annual percentage increase as well as cumulative increase. Trust members commented that the formula doesn't currently function as a tool to build wealth, but that the program supports other outcomes such as the opportunity for owners to stay in Cambridge and to stabilize owners' housing costs. However, if a program goal is wealth building, the program is falling short for owners to transition to market rate ownership.

Trust members emphasized that as the City explores policy changes to the resale formula it will be essential to consider the costs of allowing greater equity return and balancing the long-term affordability of the housing stock. It was suggested to review how affordability levels have changed over time as resales and buy backs occur, and to understand the implications of having to add more funds to the program as a potential trade off to help owners attain more equity.

Trust members asked about resale formulas that other cities utilize for their affordable homeownership program. Staff explained that there are a wide variety of approaches, and staff can present different models and options at future meetings.

Staff and Trust members discussed the homeownership program's inheritance policy. Currently, owners are unable to transfer their property to family members without a sale approved by the City to an income-eligible family member. Staff noted that they always work with families on a case-by-case basis to ensure that family members are not displaced in the case of a parent/owner's passing.

Staff noted that this is the very early stage of the homeownership program review process and that there will be further discussions with the Trust, the City Council, and Housing Committee. There will also be a process to engage owners in discussions through focus groups, and public meetings for applicants and members of the general public to participate.

Chris Cotter welcomed Mayor Siddiqui to the meeting. Mayor Siddiqui thanked the Trust and staff for the discussion and noted that many of these questions and issues that emerged from the presentation were generated from the current owners and members of the community. She noted that the process to explore changes to the homeownership program is a Council priority and appreciates the Trust taking this on.

### **Jefferson Park Federal Affordable Housing Overlay (AHO) Advisory Design Review**

The Planning Board has issued the Final Report of Affordable Housing Overlay (AHO) Design Consultation for the Cambridge Housing Authority's comprehensive modernization of Jefferson Park Federal. The report is favorable, and indicates the Planning Board is pleased with the design approach and changes CHA proposed through the design consultation process.

Under the provisions of the Affordable Housing Overlay, it is required that the results of the advisory design consultation process be provided to the Affordable Housing Trust.

Mr. Cotter noted that the Trust included a condition in its approval Trust funding for Jefferson Park that the Trust receive and consider the Planning Boards report from the advisory design review.

The Trust expressed their satisfaction with the report and, in a roll call vote with five in favor, one abstaining (Ms. DeRosa) and three members absent (Mr. DePasquale, Ms. Schlesinger, and Mr. Stockard), voted to accept the report and to acknowledge that that condition of that funding commitment has now been satisfied.

### **35 Cherry Street**

The Community Development Department recently completed a community process to determine how best to use the property at 35 Cherry Street to create new affordable housing. CDD's community process included two community meetings and six focus groups.

On March 7, 2022, the City Manager sent a report on CDD's community process to the City Council with a recommendation that the City Council approve the disposition of the property to the Affordable Housing Trust for the development of affordable homeownership housing. The City Council has approved this recommendation.

The Trust is now empowered to issue an RFP to select an affordable housing developer for this site. Trust members asked if there was a target for the number of units at Cherry Street and if the City would conduct a feasibility study for the site prior to selecting an affordable housing developer.

Staff explained that once a developer is selected through the RFP, the specifics of the development scope will be determined but that the community's preference is for large family-sized units, which may limit the overall unit count. The RFP will focus on both the developer's concept and approach to the site,

financial plans for the project, as well their capacity to ensure they are qualified and able to deliver the project. There will be some development parameters outlined in the RFP based on the community process, but it will be open enough to allow for developers to submit a range of creative responses for the Trust to review. Staff mentioned that the RFP would be shared with the Trust for their input before it is sent out. Trust members were supportive of this approach.

Trust members asked for details about the site disposition process. Staff noted that the site would soon be transferred from MIT to the City, and then eventually to the Trust once a developer is selected, before the site would be conveyed to the selected developer.

## **ADJOURNMENT**

Upon a motion moved and seconded, by roll call of six in favor and three absent (Mr. DePasquale, Ms. Schlesinger, Mr. Stockard) to adjourn the meeting.

The next meeting is scheduled for April 28, 2022, at 4:00 p.m.

### Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's March 3, 2022 meeting
- Project update: Status of Active Commitments
- Community Development Department Memo, March 24, 2022: Homeownership Program Review Process
- Powerpoint Slide Deck, March 24: Affordable Homeownership Program Review
- Community Development Department Memo, March 24, 2022: Jefferson Park Federal – Final AHO Advisory Design Consultation Report
- Planning Board Memo, March 9, 2022: Final Report of Affordable Housing Overlay (AHO) Design Consultation Procedure Compliance Certification
- Community Development Department Memo, March 24, 2022: 35 Cherry Street
- City of Cambridge Recommendation, Report and Disposition Order for 35 Cherry Street