



CITY OF CAMBRIDGE
Community Development Department

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Affordable Housing Trust

August 2, 2023, 4:00 p.m.

Ackermann Room, City Hall, 795 Massachusetts Avenue
Cambridge, Massachusetts

OR

[Webinar Registration - Zoom](#)

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

AGENDA

- Review of Meeting Minutes
- Update from the Community Development Department
- HomeBridge Program Changes: CDD is suggesting changes to the HomeBridge program to increase the amount of subsidy available to homebuyers to make the program more effective in the current market
- Move to Enter Executive Session to Discuss:
 - A Request for Homeowners Rehab Inc. for Funding for Acquisition of New Property:
 - The acquisition and value of real property will be discussed in executive session as discussing it in open session could have a detrimental effect on negotiations;
 - all votes will be taken by roll call; and,
 - the Trust will not reconvene in open session.

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

- Adjournment

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
June 22, 2023 at 4:00 p.m.

Conducted via Zoom and in person (City Hall Annex, 344 Broadway, 4th Floor)

Trustees Present via Zoom: Susan Schlesinger, Elaine Thorne, Bill Tibbs

Trustees Present In Person: Yi-An Huang, Chair; Peter Daly, Jim Stockard

Trustees Absent: Elaine DeRosa, Florrie Darwin, Gwen Noyes

Staff Present: Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Janet Haines, Housing Planner; Christine Yu, Associate Housing Development Planner; Anna Dolmatch, Homeownership Program Manager

Others Present via Zoom: Lee Farris, Beau Fujita

The meeting was called to order at 4:10 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust would be held in a hybrid fashion pursuant to applicable requirements, that all votes would be taken by roll call, and that there would be no public comment. He then confirmed via roll call 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 (Ms. Noyes, Ms. DeRosa, and Ms. Darwin) to approve the minutes for the meeting of Thursday, May 25, 2023.

PROJECT UPDATE

Homeownership: There are 8 HomeBridge buyers approved, and 17 resale units in process.

52 New Street: JAS is preparing for construction closing; expected to close later in the summer.

JP Federal: CHA is preparing for construction closing; Demolition is expected to begin soon.

1627 Mass Ave: The Planning Board will review HRI's proposed development on July 18, 2023 at 6:30 PM.

Park View Cooperative: Work is underway and proceeding well with the first set of units now completed.

Rindge Commons Phase 1: Construction is underway and proceeding well.

116 Norfolk Street: Construction is underway and proceeding well.

Walden Square: WinnCompanies will host an AHO community meeting on July 12, 2023 at 6 PM..

Inclusionary: Finishing the tenant selection plan for 50 Cambridgepark Drive and 151 North First Street. New units on Wheeler Street will be available by the fall. Reviewing plans for a new building with roughly 100 affordable units; some will be middle-income units.

OTHER UPDATES

Homeownership Program: We are planning on engaging with the community regarding potential policy changes once we complete review of underlying requirements which might limit the ability for certain changes.

Affordable Housing Overlay (AHO) Changes: This has been filed as a zoning amendment with the City Council. Public hearings will be scheduled with the Ordinance Committee and Planning Board.

Trustees and staff discussed the impacts of the potential AHO changes on development projects and CDD's memo that was sent to the City Council earlier this month.

Cherry Street: The Request for Proposals is being finalized by the Purchasing Department and is expected to be issued soon.

Ms. Farooq mentioned a policy order response on evaluating buildings for acquisition as affordable housing that will be on the City Council agenda on Monday, June 26th. Trustees and staff discussed expectations and potential impacts of future new policies.

NEW BUSINESS

Request for Annual Appropriations for FY2024

Mr. Cotter summarized the annual request for fiscal year 2024 from non-profits, consultants, Homeownership program, and other items. Trustee Stockard expressed support for funding this request; Trustee Thorne agreed.

Upon a motion moved, seconded, and approved by roll call of five in favor, one abstaining (Mr. Daly) and three absent (Ms. Noyes, Ms. DeRosa, and Ms. Darwin), it was:

VOTED: To approve the request of \$707,615 in Trust funds to be used for non-profit housing preservation and development, expiring use preservation funding, CDD staffing, homeownership software, legal services, and other miscellaneous and administrative items.

Upon a motion moved, seconded, and approved by roll call of six in favor and three absent (Ms. Noyes, Ms. DeRosa, and Ms. Darwin) to adjourn the meeting.

The meeting adjourned at 4:44 p.m.

The next meeting is scheduled for July 27, 2023 at 4:00 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's May 25, 2023 meeting
- Project Update
- Funding Request for Annual Contracts FY2024

Cambridge Affordable Housing Trust

August 2, 2023

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:	9	89 scattered site units purchased by first time buyers to-date. Program expansion up to 120% AMI now active.	N/A	\$24,200,000	1-br: 40% sale 2-br: 45% sale 3-br: 50% sale	several, including most recent: February 2023
2.	Homeownership Resale Program	CDD	currently active units:	15	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers. One unit resold in July; one under agreement.	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
4.	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
5.	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. JAS is preparing for construction closing this fall.	TBD	\$18,025,390	\$168,462	October 2019, June 2021, January 2022
6.	Park View Coop (24-26 Corporal McTernan Street)	Park View Coop		12	Funds committed May 2021; closing completed October 2022; renovations underway.	\$4,986,321	\$4,199,215	\$349,935	March 2019 and May 2021
7.	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. Project received a comprehensive permit in August 2020 and began construction in June 2022. The CAHT loan at closing was \$3,706,358 or \$154,444 per unit. This is a \$543,342 reduction from the original loan commitment. Construction is underway.	\$17,307,771	\$4,250,000	\$177,083	June 2020
8.	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
9.	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 has begun preparing to close on construction, with the first phase expected to close in late 2023.	TBD	\$43,611,615	\$156,876	September 2021
10.	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 beginning the closing process, with a goal of beginning construction in the coming months.	TBD	\$3,339,437	\$243,139	November 2021
11.	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. The Trust approved additional predevelopment funding in August 2022. HRI acquired the site in August 2022 and held first AHO Community meeting on 9/15/22. Second community meeting held 3/15/22. First advisory design consultation with Planning Board held 7/18/23.	TBD	\$7,925,000	TBD	January 2022 and August 2022
12.	116 Norfolk Street	CHA	62		In August 2022, the Trust approved funding to assist in the renovation and expansion of an existing 38-unit SRO to create 62 studio apartments for individuals moving beyond homelessness. CHA completed AHO advisory design review in late 2022 and closed on funding in December 2022; construction is underway	TBD	\$10,161,150	\$163,890	August 2022
13.	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. RFP was issued on 7/13/23 with a deadline to respond of 9/14/23.	TBD	TBD	TBD	March 2022
14.	49 Sixth Street	POAH	46		In October 2022, the Trust approved funding to assist in the conversion of a portion of the Sacred Heart church property to affordable housing. POAH has completed the AHO process. POAH is assembling remaining financing with a goal of beginning construction in 2024.	TBD	\$7,750,000	\$168,478	October 2022
15.	37 Brookline Street	JAS	TBD		JAS preparing for acquisition closing this month.	TBD	\$2,014,000	TBD	March 2023
16.	650 Concord Ave	Neville Communities Inc (NCI)	71		In May 2023, the Trust approved funding to assist with capital repairs at Neville Place, the affordable assisted living portion of its campus. NCI is also refinancing its existing maturing mortgage. Preparing to close on this funding commitment.	\$2,445,000	\$2,445,000	\$34,437	May 2023
Total Units			651						

Cambridge Affordable Housing Trust

Status of Affordable Housing Overlay (AHO) Developments

	AHO Development	Developer	AHO Status & Activity	Rental Units	Ownership Units	Development Status
1.	52 New Street	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. Preparing for construction closing.	107		Design Consultation Complete; see above
2.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)	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 transmitted to the Trust in its 3/24/22 briefing materials. Preparing for construction closing.	278		Design Consultation Complete; see above

3.	Walden Square II (102 Sherman Street)	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. Winn has scheduled another AHO community meeting on 8/1/23 to update the community on their plan and proposed design.	95		Original submission withdrawn; community meetings underway
4.	49 6th Street	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 was held on 6/28/22; Planning Board report issued 7/14/22 and transmitted to the Trust on 8/4/2022. Assembling remaining funding needed to begin construction.	46		Design Consultation Complete; see above
5.	116 Norfolk Street	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 was held on 7/5/22. Second advisory design consultation held 9/13/22. Planning Board report issued on 10/28/22 and transmitted to the Trust on 11/17/2022. Closed 12/2022; under construction.	6		Design Consultation Complete; see above
6.	1627 Mass. Ave.	Homeowner's Rehab Inc	First AHO community meeting held 9/15/22. Second community held 3/15/23. First advisory design consultation with Planning Board held 7/18/23.	29		Design Consultation meetings underway.

Status of Active Inclusionary Housing Developments

	Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	50 Cambridgepark Drive	Hanover	Covenant recorded 8/6/19. Building Permit issued 12-5-19. Construction complete. Finishing tenant selection.	55		Revised ordinance at 20% sf requirement
2.	95-99 Elmwood	95-99 Realty	Covenant recorded. Building Permit issued 7-2-20. Under construction. Lottery application process to begin August 2023.		4	Ordinance prior to revision
3.	Cambridge Crossing, 151 North First Street	DivcoWest	Covenant recorded; Building Permit issued 8-24-20. Construction complete. Finishing tenant selection.	54		Ordinance prior to revision
4.	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 soon; preparing for tenant selection.	99		Revised ordinance at 20% sf requirement
5.	40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded. Building Permit issued. Under construction	48		All units are affordable
6.	605 Concord Ave.	Abodez Acorn	Covenant recorded; Building Permit issued 12/9/21. Under Construction.	7		Revised ordinance at 15% sf requirement
7.	3-5 Linnaean	Willow Land Corp.	Covenant recorded; Building Permit issued.	1		Zoning for basement housing overlay
8.	1043-1059 Cambridge St.	418 Real Estate	Covenant recorded. Building permit issued 7/11/22. Under construction. Completion expected Fall 2023.		3	Revised ordinance at 20% sf requirement

Under Development:	264	7
Completed Units:	1015	211
All Units:	1279	218
	<hr/>	
	1497	

	Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	121 Broadway	Boston Properties	IHP Plan under review.	~102: 81 (inclusionary), 21 (middle income)		MXD zoning - 20% Inclusionary + 5% Middle-Income



CITY OF CAMBRIDGE

Community Development Department

MEMORANDUM

IRAM FAROOQ
Assistant City Manager for
Community Development

SANDRA CLARKE
Deputy Director
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To: Affordable Housing Trust
From: Chris Cotter, Housing Director
Anna Dolmatch, Homeownership Program Manager
Date: August 2, 2023
RE: HomeBridge Program Changes

The HomeBridge program provides financial assistance for eligible applicants to purchase homes on the open market. In exchange for this assistance, buyers enter into an Affordable Housing Covenant and purchased homes become part of the permanently affordable stock.

The HomeBridge program continues to have high demand. In recent months, we have seen more applications submitted for HomeBridge than for the Resale Pool. However, after several years of steady success in acquiring units, the program has not seen a new unit acquisition since February.

There are several factors impacting the ability of approved buyers to successfully purchase. Interest rate increases have reduced buyers' purchasing power. In addition, market supply continues to be constrained.

The HomeBridge program is an important part of meeting the City's goal of expanding affordable homeownership opportunities. The program provides both an opportunity to purchase a home and creates permanently affordable units in mixed-income, scattered-site buildings.

We recommend changes to HomeBridge to advance the following goals:

- Increase the supply of market homes that can be purchased with HomeBridge;
- Increase the number of buyers who can use their HomeBridge award to purchase a unit in the current market.

The maximum HomeBridge purchase price limits are based on an annual review of sales of condos within a certain size range; in recent years, the program limits have been further limited because the median sales prices, including HomeBridge subsidy, would not be affordable to the target income range. In many cases, HomeBridge buyers have been limited to units priced well below the middle of the market.

The lack of available inventory has resulted in both fewer and less desirable units in the program price range. Frequently, buyers are looking at units that do not meet program criteria, may have a higher risk for significant rehab needs, or are just not functional for a family. While we cannot address the market supply issue, increasing the program market price limit will increase options for program participants.

The constraint on increasing the program price limits has been the impact on affordability. Under the current program design, buyers earning less than 90% of AMI are challenged to use the program to purchase. Increasing the prices alone would significantly shrink the pool of buyers who would get an award that would be realistic in the market. HomeBridge was developed as a middle-income program but has served many buyers at or below 80% AMI. The goal is to maintain and expand the income range of buyers who can use HomeBridge to purchase.

If prices are increased to better align with the current market, it will be very challenging for buyers to purchase with HomeBridge without an increase in the subsidy ratio. The program will likely be limited to buyers in the highest income tier purchasing less-desirable units. We therefore recommend revising the subsidy ratios for HomeBridge buyers. The current and proposed maximum percentages of the purchase price paid by HomeBridge are:

Unit Size	Current HomeBridge %	Proposed HomeBridge %
1 Bedroom	40%	50%
2 Bedroom	45%	60%
3 Bedroom	50%	65%

Based on new maximum market price limits, the amount of HomeBridge subsidy at the maximum prices and assistance would be:

Unit Size	Max Price	HomeBridge %	HomeBridge \$	Affordable Price
1 Bedroom	\$ 608,000	50%	\$304,000	\$304,000
2 Bedroom	\$ 819,000	60%	\$491,400	\$327,600
3 Bedroom	\$1,100,000	65%	\$715,000	\$385,000

This is a significant increase over current subsidy amounts:

Unit Size	Current HomeBridge %	Current HomeBridge Funding	Proposed HomeBridge %	Proposed HomeBridge Funding	Increase
1 Bedroom	40%	\$242,000	50%	\$304,000	\$62,000
2 Bedroom	45%	\$348,750	60%	\$491,400	\$142,650
3 Bedroom	50%	\$437,500	65%	\$715,000	\$277,500

In the past three years, HomeBridge buyers received a total of close to \$6.6MM in subsidy. Using the same number of sales and unit sizes but applying the proposed ratio and price limits, purchasing the same units at the maximum assistance would require \$11.7MM, an average increase of \$1.7MM in subsidy per year. The amount of subsidy each buyer receives will vary based on what each buyer can afford and each unit price. Not all buyers qualify for the maximum assistance.

It is hard to predict how many buyers will purchase using HomeBridge in any year. High interest rates and very limited supply may reduce purchases in the near term, or an increase in subsidy amounts may lead to an increase in purchases. We do however anticipate that an increase in subsidy will mean that additional funding will be needed more frequently. The maximum amount of subsidy will change as the maximum prices are reviewed and adjusted annually and will correspond with market changes.

One benefit of increased subsidy at purchase is a reduction in the base “affordable price”, which is the price the buyer pays less the HomeBridge subsidy. Reducing the prices at purchase will make units more affordable at resale, potentially reducing the need for additional future Trust subsidy.

One concern with higher subsidy amounts and increased maximum prices is that buyers might make offers at the maximum price limit to secure a home in a competitive market, even if the unit asking price and value are well below that limit. While the program has requirements for unit quality and condition, there are not currently any restrictions on offering more than the asking price.

We also recommend the Trust modify the program terms to add a requirement that approved buyers may not offer more than 10% over the listed asking price unless CDD approves the offer in advance. With higher subsidy amounts, this requirement will prevent buyers from inflating the cost of units using public funds. In addition, this will enable CDD to prevent situations where multiple HomeBridge buyers are bidding on a property and driving up the price.

Recommendation: We recommend the Trust approve the following changes to the HomeBridge program:

1. Increase subsidy ratios to 50% for a one-bedroom; 60% for a two-bedroom; and 65% for a three-bedroom; and
2. Restrict offers using HomeBridge to no more than 10% over the listed asking price, unless approved in advance by CDD staff.