

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
October 22, 2015

City Manager's Office, City Hall
795 Massachusetts Ave.

Trustees Present: Richard Rossi, Managing Trustee, Peter Daly, Florrie Darwin, Michael Haran, Gwen Noyes, Cheryl-Ann Pizza-Zeoli, Susan Schlesinger, James Stockard, Bill Tibbs

Trustees Absent: None.

CDD Staff Present: Iram Farooq, Assistant City Manager; Ellen Semonoff, Assistant City Manager for Human Services; Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Shelley Chevalier, Planning & Development Manager for Human Services; Anna Dolmatch, Housing Planner; Linda Prosnitz, Housing Planner

The meeting was called to order at 4:00 pm.

Upon a motion moved and seconded, it was voted to approve the Minutes of September 24, 2015 meeting.

PROJECT UPDATE –

Briston Arms – Renovations are underway, beginning with site work.

Jefferson Park State Public Housing – Demolition is complete. CHA preparing for closing in December and requesting additional funding from Trust (see detailed below).

131 Harvard Street/Port Landing – Construction is underway.

Bishop Allen Apts – Construction is complete. A ribbon cutting event was held on October 1.

Temple Place Apartments – Construction is ongoing with anticipated completion in late fall.

Putnam Square/2 Mt Auburn – Rehab is complete. An event was held in September.

NEW BUSINESS

Presentation on Recent Charrette on Homelessness by Human Services Staff

The City Manager welcomed staff from the City's Human Service Department who had been invited to the Trust to provide an overview of the City's recent Charrette on Homelessness. Assistant City Manager Ellen Semonoff provided context for the discussion by sharing current data on homelessness in Cambridge and outlining some of the challenges facing the Department, including cuts in HUD funding and changing HUD funding priorities. It was noted that there are more regular interactions among CDD and DHSP staff, including representation by CDD on both the Cambridge Continuum of Care board and the steering committee for the recent homelessness charrette.

Shelly Chevalier, Planning & Development Manager for Human Services, provided an overview of the charrette, a multi-day event designed to solicit community input and recommendations on homeless issues in Cambridge. The City will incorporate this feedback in an updated strategic plan to address homelessness in Cambridge. This action plan will also inform discussions on homelessness during the upcoming citywide planning process. The event itself consisted of facilitated discussions among panels of experts on topics ranging from service coordination to “housing first” housing models to housing production needs. Following the panel discussions, attendees joined the conversation to provide input and share ideas. Several Trust members participated in the Charrette and noted that they found it to be a constructive and positive experience.

Following the update, there was a discussion of homeless issues facing the City, including needs, current resources, shelters and service systems, and the impact which the recently closed Long Island shelter in Boston may have on needs in Cambridge this winter. Trust members and staff discussed the existing ways in which the City works to address homeless housing needs in Cambridge, as well as ways in which opportunities and assistance might be expanded.

In addition to the creation of permanent housing for formerly homeless residents, Staff noted that several homeless individuals had been successfully housed in Inclusionary units through a recently launched pilot program with Heading Home. Staff credited the willingness of the private property managers to work with CDD on setting up the program, as well as the availability of services and the capacity of Heading Home, for the success of this early pilot. Staff will seek to expand the pilot beyond the initial three tenants being served and will provide a more detailed update to the Trust as efforts to expand the pilot to other buildings and property management companies is explored.

Jefferson Park State – Request for Loan Increase

Staff presented a proposal from the Cambridge Housing Authority requesting up to \$1,630,000 from the Trust to help offset a funding gap of almost \$7.5 million which resulted when construction bids came back higher than expected. This funding is in addition to the Trust’s existing commitment of \$6,400,000 made in 2013. Staff explained that while under other circumstances, the CHA might elect to rebid the project with a revised scope, there is a unique urgency to get JP State under construction as the project is at risk of losing \$6 million in tax credit equity unless it can close by the end of 2015. This is due to the fact that HUD removed the project’s census tract designation as a Qualified Census Tract, a status which enables a project to receive a 130% tax credit basis boost.

As a result, the CHA rapidly worked to close the funding gap so that they could close in December. The CHA was able to reduce the gap to \$4,054,436 through increased debt financing from MHP, small increases in other sources, and most significantly, an increase of almost \$3 million in equity when DHCD agreed to take the very significant and step of allowing full project costs to be included in tax credit basis. The CHA proposed that the remaining gap be filled by a combination of Trust and CHA funding. The \$1,630,000 requested from the Trust represents 40% of the gap, with the remaining 60% to be filled by the CHA.

Upon a motion moved and seconded, it was voted:

To approve the request from the Cambridge Housing Authority to provide up to \$1,630,000 in funding, in addition to the \$6,370,000 previously committed, as outlined in further detail in the Trust's briefing materials, and subject to the following conditions:

1. CDD staff approval of the final development and operating budgets;
2. CDD staff approval of construction plans and specifications;
3. Firm written commitments from all project funding sources;
4. CDD staff approval of the tenant selection and marketing plan;
5. Standard Trust terms and conditions, including:
 - All 104 units will be subject to the City's standard Affordable Housing Covenant (AHC) to be signed at loan closing, subordinate only to first mortgage financing as may be required by that lender;
 - All 104 units will be restricted to households earning below 80% of Area Median Income as defined in the AHA.
 - The loan will have a term of 20 years and an interest rate of 4% simple, or such other rate approved by Staff.
 - The loan will be due and payable, with interest, by the end of the term;
 - All loans will be non-recourse.

Other Updates

Staff provided a brief update on the status of the marketing of middle-income units at the Alexandria development, 270 Third Street. Forty-three applications had been received by the deadline for the lottery, on October 8, which was fewer than anticipated. Applications will continue to be accepted on a rolling basis at least until all units are filled. Staff will prepare a report summarizing the initial outcomes of this middle-income marketing effort as the Alexandria pilot program experience will provide important information as the City finalizes zoning recommendations for the Volpe site and MXD district.

Staff noted that the updated Inclusionary rationale study continues to progress and that a revised draft of the report is currently under review.

Staff also noted that, as discussed at the last Trust meeting, a Notice of Funding Availability for Trust funds for new affordable housing development was being developed.

The City Manager/Managing Trustee noted that several Trust members' terms were due to expire in the coming months and that in order to decrease the likelihood of multiple Trust vacancies at the same time, he was considering staggering terms for reappointments and appointments. The topic would be discussed further in the coming weeks.

The City Manager also noted that he would like the Trust to meet with other City Boards and commissions, as the Trust had done with the Planning Board in July. In the coming months, staff would work to coordinate meetings with the CPA committee, the BZA, and possibly also the Historical Commission.

The meeting adjourned at 6:03pm. The next meeting is scheduled for Thursday, October 22, at 4 p.m.

OTHER MATERIALS

- Meeting Minutes from the Trust's September 24, 2015 meeting
- Project Update
- Jefferson Park State - Loan Increase Request
- Handouts from Human Services staff including materials related to the recent Homelessness Charrette and a summary of the 2014 Point in Time count