



CITY OF CAMBRIDGE

Community Development Department

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Affordable Housing Trust

**June 28, 2018
Ackerman Room**

AGENDA

- Old Business
- Project Update
- New Business
 - Fy19 Annual Contracts and Admin Funding
- Adjournment

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
May 24, 2018

Ackerman Room, Cambridge City Hall
795 Massachusetts Ave.

Trustees Present: Louis DePasquale, Chair; Florrie Darwin, Gwen Noyes, Cheryl-Ann Pizza-Zeoli, Susan Schlesinger, Elaine Thorne, Bill Tibbs

Trustees Absent: Peter Daly, Jim Stockard

Staff Present: Lisa Peterson, Deputy City Manager; Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Janet Haines, Associate Housing Planner; Linda Prosnitz, Housing Planner

OTHERS: Laura Martin

The meeting was called to order at 4:07.

Upon a motion moved and seconded, it was

VOTED: To approve the minutes for the meeting of Thursday, April 26, 2018.

PROJECT UPDATE

Homebridge Program – Two units have closed since the pilot for buyers up to 120% began in 2017; 2 3BR units are under agreement and an additional 8 households have been approved and are now looking for homes to purchase

Jefferson Park State Public Housing – Construction is approaching completion.

Concord Ave – Building permit has been issued and preparing to close on site work in June, with a full construction closing later this summer. Will have a groundbreaking event in summer, details to follow.

Frost Terrace - Capstone's application for a comp permit to create 40 new units in Porter Sq was approved at the BZA and is awaiting word on application for state funding.

Vail Court - Court approved the City's request to demolish the buildings, but the broader litigation remains ongoing. A community meeting regarding the demolition process was being held on May 24, 2018, following the Trust meeting.

Squirrelwood New construction – Just A Start received a comprehensive permit in February for 23 new units as part of the consolidation/renovation of Linwood and Squirrel Brand Apartments and is awaiting word on application for state funding

2072 Mass. Ave. – The site was acquired by Capstone/Hope in April 2018.

Inclusionary Program - Staff provided quick overview of units being marketed

UPDATES/DISCUSSION ITEMS

Local Preference Update

As a follow up to an issue first shared at the April Trust meeting, staff informed the Trust that, working in conjunction with HRI and its other lenders, staff had been able to negotiate a good resolution to an issue which had come up regarding the applicability of Cambridge's local preference policy at Concord Highlands. Initially, state lenders had been asserting that our local preference policy needed to be changed in order to comply with state and federal program guidelines, and that any local preference could only apply at initial occupancy. The specific elements flagged included preferences for families with young children, and the policy of providing residents preference over local workers. In the end, after providing information on Cambridge's demographics, the demographics of our applicants, and the reasons behind Cambridge's preference policy, all lenders agreed to allow Cambridge's local preference policy to continue in perpetuity, with the one caveat that if a racial disparity emerges in the future, modifications to the local preference may need to be made. The Trust agreed that such a circumstance would warrant such modifications and expressed appreciation to all involved, including state lenders, for the resolution of the issue.

Proposed JAS Veterans Project

Staff informed the Trust that Just A Start had submitted a proposal, and request for funding, to create a new 15-unit building for homeless veterans on land that they currently own. The proposed 3 story building would consist of 11 one bedroom and 3 studio rental units for homeless veterans using an operating subsidy of project-based VASH (Veteran's Affairs Supportive Housing) vouchers. Staff said that they had discussed the project with members of the Project Review Committee who recommended that before a formal request for funding was brought to the full Trust for consideration, it would be helpful for the Trust to have a general conversation about the project.

While the Trust typically encourages the creation of family-sized housing, the PRC generally agreed that the creation of smaller units made sense in the context of a project for homeless veterans. Trust members agreed with this as well. However, the PRC did have questions regarding the demand for this type of supportive housing, how services would be provided, and how units would be filled. The biggest concern raised is that VASH voucher do not allow for a local preference.

Staff shared statistics provided by JAS and others on the demand for VASH housing in Cambridge and described how units could be filled so as to advantage applicants with a connection to Cambridge, acknowledging that this process could not be formalized so there could be no guarantees on how units would be filled in the future.

The Trust had a lengthy conversation regarding the proposed project and concluded that they would be unlikely to approve funding without a local preference component. There was a discussion of what that component would minimally need to include, with opinions ranging from the standard maximum set-aside to potentially something smaller. The Trust also indicated that if JAS is interested in further pursuing the project, they would like more evidence of Cambridge-based demand, given that the demand data provided identified only ten individuals with a Cambridge connection who would be eligible for VASH housing. In addition to addressing the tenant selection and local demand questions, the Trust also expressed concerns about the plan for provision of services, with some noting that their experience has shown that services provided through VASH are insufficient and need to be substantially augmented.

CPA Process/Fund Balance Update

The Trust was told that the CPA Process for FY19 was underway, with the first committee meeting held on May 23 and public hearings scheduled for May 31st and June 30th. Staff then

provided a detailed update on the Trust's overall fund balance, including CPA and non-CPA funds. It was noted that the City contribution was expected to increase in FY19, and that the first linkage payments since incentive zoning was updated were expected to begin coming in in FY19. Trust members thanked staff for the update and asked that the next update include an estimate of the timing and amounts of future linkage payments. It was noted that as the amounts are calculated at completion, based on the final applicable square footage and applicable rates, any estimates provided in advance would be rough calculations.

Housing Week of Action

Staff shared an update on the recently concluded Housing Week of Action, including thanking Ms. Pizza-Zeoli for her participation on a panel to discuss the book *Evicted*, and Ms. Farooq for helping moderate that panel. It was agreed that this year's series of events were generally well-received and successful, and that next year's Housing Week of Action will benefit from lessons learned this year, including having more advanced time to plan.

Housing Committee Meetings

The Trust was updated on the May 15, 2018 Housing Committee meeting held to discuss a range of topics including tenant protections, an affordable housing overlay, and an update on the goal to produce 1000 new affordable units by the end of 2020. Trust members who had been in attendance shared their impressions of the meeting. Trust members discussed ways in which discussions regarding density could be facilitated, particularly with regard to conversations regarding the proposed overlay. Staff said that the next Housing Committee meeting was scheduled for June 12, 2018 at 5pm and that they would share the agenda for that meeting as soon as it was finalized.

Envision Cambridge Planning Process

The Housing group met in May to finalize recommendations to be shared with the broader Advisory Committee, for inclusion in the final plan. At that meeting, the Housing Group expressed interest in continuing its discussions regarding appropriate targets to make sure that the goals are sufficiently aspirational to address the future housing needs of the city. Ms. Schlesinger, who is a member of the Housing Committee meeting, suggested that the targets be shared with the Trust for review and input, before being finalized. An additional Housing Committee meeting will be scheduled in the coming months, once more information has been compiled by the consultant team, which will help estimate the impact and interplay of various elements of the plan.

ADJOURNMENT

The meeting adjourned at 5:15pm.

Materials:

- Proposed JAS Veterans Project
- CAHT Q3 Fund Report
- Meeting Minutes from the Trust's April 26, 2018 meeting.
- Project Update



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MEMORANDUM

To: Cambridge Affordable Housing Trust
From: Christopher Cotter, Housing Director
Date: June 28, 2018
Re: Appropriations for Annual Contract Funds

As the beginning of the new fiscal year approaches, we are requesting an approval of \$505,615 in Trust funds for the FY2019 annual contracts as further described below.

Housing Preservation & Development

This request includes \$475,115 in Trust funds for Homeowner's Rehab, Inc. (HRI), Just A Start Corporation (JAS), and CASCAP's Affordable Housing Preservation and Development contracts. As you know, for many years the Trust has provided HRI, JAS, and CASCAP with annual operating support to help support their capacity to develop and preserve affordable rental and homeownership units.

City support for non-profit housing agencies has been provided for many years through annual contracts with the Trust and with the City, which in the past has provided both CDBG and HOME funds. Since FY2016 this funding has been funded fully by the Trust. We are continuing with that approach in FY2019, and are asking the Trust to fund amounts that had been funded with Federal funds in prior years.

Both HOME and CDBG funding will remain available to assist directly with development and preservation efforts. CDBG funds will also be used to fund other City housing programs including the HRI's and JAS' Home Improvement Programs (HIP), JAS' Youthbuild, JAS' Housing Mediation Services, and CEOC's tenant organizing efforts. The City will see increases in both HOME and CDBG funds in FY2019, notwithstanding recent and continuing threats to defund both programs.

The \$475,115 request for housing development and preservation support will be used as follows to support for each agency's housing development and preservation work.

	<u>FY18</u>	<u>FY19</u>
CASCAP	\$45,000	\$30,000
Just A Start	\$191,767	\$191,767
Homeowner's Rehab, Inc.	<u>\$253,348</u>	<u>\$253,348</u>
TOTAL	\$490,115	\$475,115

Homeownership Management Software

We are requesting \$9,000 for the FY2019 annual costs for the homeownership management software. This system is used for the ongoing management of the homeownership portfolio, including applications, affordability restrictions, unit turnover, and financial management of the program.

Legal Services and Administrative Costs

We are requesting \$14,000 for the CDD's legal services contract and are requesting \$7,500 for miscellaneous administrative items.

Recommendation: Staff recommends that the Trust approve the following requests:

Non-profit Housing Preservation & Development	\$475,115
Homeownership Software	\$9,000
Legal Services	\$14,000
Miscellaneous / Administrative	<u>\$7,500</u>
TOTAL	\$505,615