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## CITY OF CAMBRIDGE

Community Development Department

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# Affordable Housing Trust

**May 24, 2018  
Ackerman Room**

## AGENDA

- Old Business
- Project Update
- New Business
  - Local preference – Trust-funded project(s)
- Adjournment



DRAFT  
CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
April 26, 2018

Ackerman Room, Cambridge City Hall  
795 Massachusetts Ave.

Trustees Present: Louis DePasquale, Chair; Peter Daly, Gwen Noyes, Cheryl-Ann Pizza-Zeoli, Jim Stockard, Elaine Thorne, Bill Tibbs

Trustees Absent: Florrie Darwin, Susan Schlesinger

Staff Present: Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Linda Prosnitz, Housing Planner

OTHERS: City Councilor Sumbul Siddiqui

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 Wednesday, February 22, 2018 with one modification that Jim Stockard was absent from the meeting.

#### PROJECT UPDATE

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

**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.

**Vail Court** - Court approved the City's request to demolish the buildings, but the broader litigation remains ongoing.

**Frost Terrace** - Capstone's application for a comp permit to create 40 new units in Porter Sq was approved at the BZA and an application for state funding was submitted in February.

**Concord Ave** – Moving towards closing on the site work in May and full construction in late summer.

**Jefferson Park State Public Housing** – Construction is approaching completion.

**Homebridge Program** – Two units have closed since the pilot for buyers up to 120% began in 2017.

**Inclusionary Program** - One rental unit on Chauncy Street, one of the Chestnut Hill Realty basement units, was added to the portfolio this month.

## **UPDATES**

CDD budget includes requests for an additional staff person for the inclusionary program and funds for the next incentive study.

The preference subcommittee of the Trust will have one more meeting. The subcommittee has been discussing possible changes and how to balance the preferences for residents, families with children and those with emergency needs. The preferences for inclusionary rental and homeownership can be decided through internal processes. However, there is push back from funders of developments financed by the Trust about how we maximize local preference and how that continues perpetually. The state now wants one-time local preference. The state is also concerned that local preference doesn't include those who work in Cambridge. HRI is working on a solution which will be discussed in relationship to Concord Highlands.

Next week is the Affordable Housing Week of Action. A number of events are planned. Among these will be a poster exhibit at City Hall with photos and quotes from residents in affordable rental and homeownership units, a book discussion on "Evicted", a rally and celebration event for inclusionary on Saturday.

Metro Mayors Housing Task Force of the inner core communities is making good progress. The group is compiling best practices from across the country, including from Cambridge in the areas of funding, inclusionary and overlay districts. Legislative action may come out of the task force. The group is also looking at demographic patterns and job growth to come up with regional targets for different types of housing, affordability levels, and types of households.

Envision – Meetings are being held with working groups. The Housing Group will meet next week to finalize recommendations and those will be referred to the larger group for inclusion in the broader plan. The Trust discussed how it is difficult to balance competing priorities, such as housing, open space, and bicycles. One of the strongest recommendations from the Housing Group is for a zoning overlay for affordable housing. One of the other recommendations being discussed is greater density along the corridors. The Trust discussed the need to show how greater density can be workable. Utile will be illustrating this. Parking was also discussed as one variable that might ease density by allowing for lower ratios.

The Next Housing Committee meeting is May 15.

## **NEW BUSINESS**

Concord Highlands:

HRI is preparing to close on the first phase of construction and needs to finalize the tenant selection plan for the project. The tenant selection plan must be approved not only by the City, but also by DHCD, MassHousing, and HUD. The Trust voted in February 2018 to make funding conditional on staff approval of a tenant selection plan with provisions ensuring at least 70% local preference. DHCD and MassHousing have agreed to this; however, DHCD has raised issues about maintaining the preference over time. DHCD is



requiring the following language be added to the Tenant Selection Plan to address their concerns:

Maintaining Local Preference Beyond Initial Lease-Up

*Concord Highlands will maintain a 70/30 local preference for the life of the property, but this preference will be subject to evaluation and potential adjustments every five years. This evaluation will entail comparing the racial and ethnic demographics of current residents of the property to the racial and ethnic demographics of the open-preference waiting list and of the applicable surrounding HUD-defined area. Due to the randomization of the lottery process, it is not guaranteed that the racial and ethnic demographics of Concord Highlands will match the waiting lists precisely. However, if the discrepancy is greater than 20 percent it could indicate non-random disparate impact and merit adjustment. In such a case, we would notify both the City of Cambridge and DHCD and would take measures to avoid such disparate impact, subject to approval by the City of Cambridge and DHCD.*

The Trust discussed that HRI would be able to monitor this over time.

Upon a motion moved and seconded, it was

VOTED: To approve inclusion of language in the Tenant Selection Plan on addressing local preference beyond the initial lease up.

Housing Preservation

Staff requested up to \$25,00 in Trust funds to be used to continue efforts to preserve expiring use properties. Funds would be used for activity such as capital needs assessment, appraisals, as well as consulting services. Housing Preservation funding has so far enabled the City to preserve eight at risk properties. Funds requested now will most immediately help to work with Fresh Pond Apartments. Progress is being made with the owner.

Upon a motion moved and seconded, it was

VOTED: to approve the staff's request for up to \$25,000 in Trust funding to be used for housing preservation activities.

Materials:

- Memo on Tenant Selection Plan for Concord Highlands
- Request for funds for Housing Preservation
- Meeting Minutes from the Trust's February 18, 2018 meeting.
- Project Update



**Cambridge Affordable Housing Trust**  
**Status of Active Commitments**  
**May 24, 2018**

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: 8	2	53 scattered site units purchased by first time buyers to-date. New program rollout June 2017; new HomeBridge name, inclusion of "work in Cambridge" eligibility; pilot 120% AMI program. Two units have closed in 120% pilot. Two 3-bedroom units under agreement for under 100% AMI.	N/A	\$7,200,000	1-br: 40% sale 2-br: 45% sale 3-br: 50% sale	May 2011
2. Homeownership Resale Program	CDD	currently active units:	11	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers.	N/A	\$3,500,000		December 2011
3. Harvard Properties	HRI	50 Trowbridge #6	Currently active units: 1	100-unit portfolio acquired. Rehab of units on-going upon first vacancy in each unit, building systems and exterior renovations ongoing per approved portfolio plan. ~86 units completed to-date.	\$7,220,999	\$750,000	\$7,500	March 1997
4. Bedrick Properties	HRI	34 Willow St #3	Currently active units: 1	95-unit portfolio acquired. Rehab of units on-going upon first vacancy in each unit, building systems and exterior renovations ongoing per approved portfolio plan. ~64 units completed to-date.	\$15,615,000	\$5,586,000	\$58,800	November 1999
5. Jefferson Park - State Public Housing	CHA	104		Construction underway; completion will occur in phases beginning in early 2018; first tenants moving in.	\$50,800,000	\$7,934,000	\$76,288	August 2013 October 2015
6. Concord Ave	HRI	98		Preparing to close on site work in May and full construction in late summer 2018.	\$58,228,733	\$23,803,176	\$242,890	March 2016
7. Frost Terrace	Capstone Hope	40		Comp permit approved. OneStop submitted to DHCD February 15.	TBD	\$7,210,000	TBD	March 2016
8. Vail Court	TBD	TBD	TBD	Trust and City hosted public meeting on 7/24/17 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 City receiving a response from the Court regarding the legal action taken by former owner.	TBD	TBD	TBD	N/A
9. Squirrelwood New Construction	JAS	23		JAS building 23 new units as part of the consolidation/renovation of Linwood and Squirrel Brand Apartments; received conditional approval of Trust funding in January 2018 and comp permit approved at 2/15/18 BZA hearing; applied for DHCD funding in spring 2018 round.	TBD	\$4,600,000	\$200,000	January 2018
10. 2072 Mass Ave	Capstone Hope	TBD	TBD	Capstone/Hope purchased site in April 2018.	TBD	\$3,800,000	TBD	February 2018
Total Units					265			



**Cambridge Affordable Housing Trust**  
**Status of Active Inclusionary Housing Developments**

May 24, 2018

Approved Active Projects	Developer	Status	Rental Units	Ownership Units
1. 61 Loomis Street	JF Trust	Covenant recorded 3/2011. Marketing underway of ownership unit		1
2. 88 Ames Street	Boston Properties	Covenant Recorded 1/28/16. Under construction. Nearing completion of phase 1.	36	
3. 262 Monseigneur O'Brien Highway	Minco Corp.	Covenant Recorded 3/8/16. Under construction. Expected completion summer 2018.		6
4. Avalon North Point	Avalon	Covenant Recorded 5/5/16. First phase complete. Tenant selection beginning	31	
5. 77 New Street	Abodez	Covenant Recorded 9/14/16. Under Construction.	11	
6. 88 Cambridge Park Drive	Hanover Company	Covenant Recorded 9/30/16. Phase 1 complete. Tenant selection beginning	30	
7. 253 Walden Street	Observatory Hill Apartments LLC/ Eric Hoagland	Covenant Recorded 11/18/2016. Under Construction	3	
8. 95 Fawcett Street	Ed Doherty	Covenant Recorded 12/29/2016. Under Construction		5
9. 10 Essex Street	Morris Naggar	Covenant Recorded 3/9/2017. Under Construction.	5	
10. 1699 Mass. Ave.	Lotus Harvard Enterprise	Covenant Recorded 3/30/2017. Building Permit issued. Revised plans under review.	2	
11. 305 Webster Ave.	305 Webster Ave. Condominiums LLC	Covenant Recorded 8/11/17. Under Construction		4
12. 47 Bishop Allen	Twining	Covenant Recorded 10/13/17. Under Construction	3	
13. St. James - Mass Ave/Beech	Oak Tree	Covenant Recorded 11/21/17	5	
14. Mass & Main	Twining	Covenant Recorded 11/24/17. Under Construction	58	
15. 249 Third Street	Equity	Covenant Recorded 12/22/17. Under Construction	12	
16. Lanes and Games	Criterion	Covenant Recorded 3/16/18. Under Construction	44	
17. 14-16 Chauncy Street	Chestnut Hill Realty	Covenant Recorded 4/20/18	1	

Total Units under IHP Covenants:

rental  
ownership  
total

891  
211  
1102

Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units
1. 300 Putnam Ave.	Biotech Realty Investors	Covenant in signature process		2
2. 16-18 Elliot Street	Charles River Holdings	IHP plan under review	2	
3. 605 Concord Ave.	Abodez Acorn	IHP plan under review	7	
4. 107 First & 22 Hurley Streets	Urban Spaces	IHP plan to be submitted	~16	



## COMMUNITY DEVELOPMENT DEPARTMENT

May 14, 2018

CDD is developing regulations to apply to inclusionary housing pursuant to changes to the City's Inclusionary Housing provisions. Regulations will address program standards and procedures including those related to tenant and buyer selection preferences for inclusionary housing units. To assist with drafting regulations, CDD had prepared the questions below last year in order to frame considerations of possible changes so that regulations proposed would best advance the policy goals of the City Council related to selection preferences.

In the last term the Housing Committee requested that the Affordable Housing Trust discuss these questions and make recommendations for updates to the resident selection preference policies. The Trust is close to completing its discussion of these questions, and will soon share their recommendations on what changes would be advisable in inclusionary housing regulations issued by the City.

Once ready, proposed regulations will be promulgated by the City Manager and will be shared with the City Council, Affordable Housing Trust, housing partners and advocates. CDD will schedule public meeting(s) to hear comments, and will accept comments on proposed regulations for at least 30 days. Comments on proposed regulations will be considered as regulations are finalized. At the end of the public comment period, the final regulations will be promulgated by the City Manager.

Note that all proposed changes to preference criteria will need to be reviewed to ensure compliance with fair housing laws and other applicable requirements.

### Resident Selection Preferences

#### 1. Preference for Cambridge Residents

##### CURRENT

- preference is given to applicants who can document residency in Cambridge (by providing 2 of the following: current lease, utility bill, car registration, school registration);
- secondary preference for applicants who work in Cambridge (i.e. applicants considered if all resident applicants have been considered)

##### QUESTIONS

- Should residency preference be expanded?
  - i. Former residents (note: it can be very difficult to document and confirm former residency)
    - 1. Applicants with CHA vouchers who live outside of Cambridge
    - 2. Other former residents
  - ii. Cambridge-based workers
  - iii. City/School employees
  - iv. Veterans
- How best to address residents who cannot provide documentation to confirm residency?
  - i. E.g. those who are doubled-up, living with family, homeless?
- Should residency status be preserved once it has been determined?
  - i. At the time of application?
  - ii. Should households being involuntarily displaced be able to have residency certified for future applications? If so, for how long?
  - iii. Should others who are moving out of community by choice?
- Should residency preference apply to all units, or, if possible, might it be applied to less than all units to create a pathway for former residents to return to the city?

- i. e.g. 70% of units have preference for residents, 30% have no residency preference

2. Preference for families with children

CURRENT

- Preference is given to applicants with children under 18.
- Additional preference is given to applicants with children under 6.

QUESTIONS

- Should age preferences for families with children change?
  - i. Should there continue to be additional preference for families with young children?
  - ii. If so, is the age of 6 appropriate to advantage families with younger children?

3. Preference for applicants facing emergency housing needs (rental housing only)

CURRENT

- Preference is given to applicants who are:
  - i. facing a no-fault eviction; or
  - ii. living in a property cited by the City for outstanding code violations; or
  - iii. paying more than 50% of their income for rent; or
  - iv. living in an overcrowded situations (more than two people per bedroom); or
  - v. homeless.

QUESTIONS

- Are there other applicants who should be considered for emergency status?
  - i. Eviction and/or displacement risk – and at what stage?
  - ii. domestic violence
  - iii. transitional housing programs
  - iv. medical need (i.e. for elevator building)
  - v. over-housed applicants (i.e. to free up larger units)
- Are there current emergency criteria that should be changed or eliminated?
  - i. code violations vs. life safety threats
- Should all emergency needs be treated equally?
- What documentation should be required to prove homelessness?
  - i. Currently a letter from a shelter is requested; this is difficult for homeless families who do not qualify for family shelter.
  - ii. It can be hard to determine last resident of homeless applicants (i.e. for residency preference)

Preference Layering

CURRENT

- Residency preference is the most significant preference, meaning that preference is weighted more than preference for families with children and emergency need (4 points);
- Preference for families with children under 6 is next most heavily weighted (2 points), followed by families with children under 18 (1 point);
- Emergency need (1 point) is not a prevailing preference for 2- and 3-bedroom units – emergency preference applicants are served when they have other preferences (residency, families with children) given current demand.

QUESTIONS

- Should there be changes in how the current preferences interact?
  - i. Should emergency need be a more significant preference? Should all applicants with emergency needs be considered before other applicants?
    - Ahead of families with children
    - Ahead of residents?