Affordable Housing Trust

August 25, 2021, 4:00 p.m.

To participate in this meeting hosted on the Zoom video meeting platform, please register using this link in advance of the meeting.

https://cambridgema.zoom.us/webinar/register/WN_I1ju9sLSSqaQ7xsAVd13dA

AGENDA

• Review of Meeting Minutes

• Update from the Community Development Department

• Modernization of Jefferson Park Federal: The Cambridge Housing Authority is requesting up to $43,611,615 to assist with modernization of CHA’s 175-unit Jefferson Park Federal development through new construction of 277 affordable units

• Adjournment
CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
June 24, 2021 at 4:00 p.m.
Conducted virtually via Zoom

Trustees Present via Zoom: Louis DePasquale, Chair; Peter Daly, Florrie Darwin, Elaine DeRosa, Susan Schlesinger, Jim Stockard, Elaine Thorne Bill Tibbs

Trustees Absent: Gwen Noyes

Staff Present via Zoom: Iram Farooq, Asst. City Manager for CDD; Chris Cotter, Housing Director; Cassie Arnaud, Senior Housing Planner; Gabby Geller, Housing Development Planner; Janet Haines, Associate Housing Planner; Linda Prosnitz, Housing Planner; Emily Salomon, Associate Housing Planner

Others Present via Zoom: Beau Fujita, James Williamson

The chair, Louie DePasquale, called the meeting to order at 4:03 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

It was noted that last month’s meeting minutes did not include a reference to written communication that was provided prior to the meeting. Staff suggested that, if approved, they could add to the minutes reference said written communication. Upon a motion moved and seconded, with absent, by roll call of seven in favor and two absent (Ms. Noyes, Ms. Thorne) to approve the minutes for the meeting of Thursday, May 27, 2021 with reference to written communication received.

UPDATE FROM CDD

HomeBridge: Ten buyers have active commitments and two home are under agreement.

Homeownership Resale Program: Since the last Trust meeting, one unit has sold to a new homeowner, with two under agreement. Additional Resale units are being made available to new buyers under a revised process adopted due to the Pandemic to offer virtual unit tours.

Frost Terrace: Construction is near completion. The developers are waiting on the Certificate of Occupancy and are approving applicants to move into the property. Approximately 800 households applied for units at Frost Terrace.

SquirrelWood: Construction at this site continues and is on schedule to be completed in the coming months. Some units are already online, and others will phased-in as they are completed. The open application period ended on June 11, 2021 for 17 units.
2072 Mass Ave.: The Trust approved Capstone/Hope’s predevelopment funding request last month and the hearing for a comprehensive permit requested for the development will continue at the BZA in September.

Fresh Pond: This is a complex closing process to finalize the preservation of units, which is near complete. Staff are working through final approval process with HUD.

Rindge Commons: City Staff have been working with JAS to discuss their funding approach and to identify other funding opportunities. JAS is also in discussions with the state about state funding and new market tax credits.

Inclusionary Housing: Housing Division staff are actively filling rental vacancies, including middle-income units at a new property, Prism. The City is finalizing a commitment to 48 affordable units at 270 Thorndike Street/Court House, which is near approval.

Cherry Street: The first public meeting to discuss this project was on June 3rd. City staff are conducting focus groups and plan to schedule a second public meeting to discuss ideas for creating housing on the site.

Community Preservation Act (CPA) Public Hearings: The FY22 CPA allocation process is underway. The CPA committee held a first public hearing on June 6, 2021 and will hold a second public hearing on July 14, 2021 to hear comments on how the FY22 CPA funding should be allocated among the 3 eligible CPA uses.

52 NEW STREET PREDEVELOPMENT FUNDING REQUEST

Staff presented a request from Just A Start for $850,000 in predevelopment financing to refine the building and site design to construct 106 affordable rental units at 52 New Street. JAS held community meetings in February, March, and April to discuss their design and their plans to permit the project through the recently adopted Affordable Housing Overlay (AHO). They plan to begin construction next year.

Staff reviewed JAS’ request for funding and agree that it is needed to keep the project moving forward. Staff explained that predevelopment funding is separate from acquisition funds that were approved a few years ago, and that this funding will disbursed as needed and is expected to be adequate through construction closing. It is expected that JAS will request additional funds form the Trust for construction after other construction funding sources have been determined.

Prior to the vote, Jim Stockard noted he would recuse himself from the vote.

Upon a motion moved and seconded, with Mr. Stockard abstaining and Mr. Tibbs and Ms. Noyes absent, by roll call of six in favor, one abstaining, and two absent, it was:
VOTED to approve the Trust to approve JAS request for $850,000 in predevelopment funds.

ADJOURNMENT

Upon a motion moved and seconded, with Ms. Noyes and Mr. Tibbs absent, by roll call of seven in favor and two absent, it was voted to adjourn the meeting at 4:20 pm.

The next meeting is scheduled for July 27, 2021.

Materials:

- Agenda
- Meeting Minutes from the Trust’s May 27, 2021 meeting
- Project update: Status of Active Commitments
- Project Review Committee Memo June 24, 2021: 52 New Street – Predevelopment Funding Increase
<table>
<thead>
<tr>
<th>Active Projects</th>
<th>Sponsor</th>
<th>Rental Units</th>
<th>Ownership Units</th>
<th>Status</th>
<th>Total Cost</th>
<th>Trust Commitment</th>
<th>Loan Amount Per Unit</th>
<th>Trust Approval Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. HomeBridge program</td>
<td>CDD</td>
<td>currently approved buyers: 10</td>
<td>21</td>
<td>76 scattered site units purchased by first time buyers to-date. Program expansion up to 120% AMI now active. 2 units under agreement.</td>
<td>N/A</td>
<td>$18,200,000</td>
<td>1-br: 40% sale 2-br: 45% sale 3-br: 50% sale</td>
<td>May 2011</td>
</tr>
<tr>
<td>2. Homeownership Resale Program</td>
<td>CDD</td>
<td>currently active units: 21</td>
<td>21</td>
<td>Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers.</td>
<td>N/A</td>
<td>$7,500,000</td>
<td></td>
<td>December 2011</td>
</tr>
<tr>
<td>4. Frost Terrace 1971 Mass Ave</td>
<td>Capstone Hope</td>
<td>40</td>
<td>Construction is complete and 30 of 40 units have been leased and tenants are in the process of moving in. The 40 tenants were selected through a lottery with 945 applications. Permanent loan closing is anticipated in November, 2021.</td>
<td>$27,219,486</td>
<td>$10,785,358</td>
<td>$269,634</td>
<td>March 2016 and December 2018</td>
<td></td>
</tr>
<tr>
<td>5. Vail Court (139 Bishop Allen)</td>
<td>TBD</td>
<td>TBD</td>
<td>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.</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>6. Squirrelwood (multiple addresses, corner of Broadway and Market)</td>
<td>JAS</td>
<td>23</td>
<td>Construction is underway and 90% complete including new and renovated units. All of the new buildings are complete and ready for occupancy. Presently they are being used to housed tenants needing relocation during rehab of their units. A lottery for 17 of the 23 new units was held with 380 eligible applicants. Lease up has started for those units and is anticipated to be completed by mid October. Other vacancies will be filled through the CHA waitlist. Construction completion is anticipated by November 1, 2021.</td>
<td>$9,505,726 (new units only)</td>
<td>$4,115,457</td>
<td>$178,933</td>
<td>January 2018 and December 2018</td>
<td></td>
</tr>
<tr>
<td>7. 2072 Mass Ave</td>
<td>Capstone Hope</td>
<td>TBD</td>
<td>Capstone/Hope purchased site in April 2018. Project is seeking a comprehensive permit; presented to Planning Board 12/1; PB recommended proposal to BZA and confirmed recommendation at 5/4/21 PB hearing; first BZA meeting held 12/10/20 was continued to 5/20/21; BZA continued again to September 2021.</td>
<td>TBD</td>
<td>$5,071,000</td>
<td>TBD</td>
<td>February, 2018 and June, 2021</td>
<td></td>
</tr>
<tr>
<td>8. 52 New St</td>
<td>JAS</td>
<td>TBD</td>
<td>JAS purchased the site in early 2020 and anticipates permitting the project through the recently adopted Affordable Housing Overlay. JAS will be seeking state funding in an upcoming application round with a goal of securing permitting and financing in time to begin construction in 2022. JAS has held community meetings on 2/25, 3/25 and 4/15 to discuss their ideas for the site in advance of submitting final plans for the project. AHO design advisory review by Planning Board will be scheduled.</td>
<td>TBD</td>
<td>10.650,000</td>
<td>TBD</td>
<td>October 2019 and June 2021</td>
<td></td>
</tr>
<tr>
<td>9. Park View Coop</td>
<td>Park View</td>
<td>12</td>
<td>Funds committed May 2021; Preparing to close on funding commitment</td>
<td>TBD</td>
<td>$4,199,215</td>
<td>$349,935</td>
<td>March 2019 and May 2021</td>
<td></td>
</tr>
<tr>
<td>10. Fresh Pond Apartments</td>
<td>Schochet</td>
<td>504</td>
<td>In March 2020, the Trust committed funding for the preservation of Fresh Pond Apartments. This commitment will be combined with $15 million in City funding which was appropriated by the Council to the Trust for Fresh Pond Apartments. Together, these funds will be used to buy down 50 years of affordability and to capitalize a rent phase-in reserve to transition current tenants to the new affordable program. Tenant update/informational meetings held on 11/4/2020 and 11/13/2020; finalizing closing of funding.</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>March 2020</td>
<td></td>
</tr>
<tr>
<td>11. Rindge Commons - Phase 1</td>
<td>JAS</td>
<td>24</td>
<td>In June 2020, the Trust approved funding for the first phase of Rindge Commons. Following PB hearing in early August, BZA voted to approve a comprehensive permit for the project on August 23, 2020. JAS is in the process of securing the necessary financing to begin construction of Phase 1.</td>
<td>TBD</td>
<td>$4,250,000</td>
<td>$177,083</td>
<td>June 2020</td>
<td></td>
</tr>
</tbody>
</table>

Total Units 645
### Cambridge Affordable Housing Trust

**Status of Active Inclusionary Housing Developments**

<table>
<thead>
<tr>
<th>Approved Active Projects</th>
<th>Developer</th>
<th>Status</th>
<th>Rental Units</th>
<th>Ownership Units</th>
<th>Applicable zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 305 Webster Ave.</td>
<td>305 Webster Ave. Condominiums</td>
<td>Covenant Recorded 8/11/17. Nearing completion. Marketing of affordable units to begin soon.</td>
<td></td>
<td>4</td>
<td>Ordinance prior to revision</td>
</tr>
<tr>
<td>2. Tempo (203 &amp; 205 Concord Tpk. (formerly Lane &amp;Games)</td>
<td>Criterion</td>
<td>Covenant Recorded 3/16/18. Complete. Tenant selection underway.</td>
<td>44</td>
<td></td>
<td>Revised ordinance at 15% sf requirement</td>
</tr>
<tr>
<td>4. 77 New Street</td>
<td>Abodez</td>
<td>Covenant Recorded 9/14/16. Complete. Tenant selection underway.</td>
<td>11</td>
<td></td>
<td>Ordinance prior to revision</td>
</tr>
<tr>
<td>5. 95 Fawcett Street</td>
<td>Ed Doherty</td>
<td>Covenant Recorded 12/29/2016. Under Construction. Will convert to rental</td>
<td>5</td>
<td>5</td>
<td>Ordinance prior to revision</td>
</tr>
<tr>
<td>7. Charles &amp; Hurley Streets</td>
<td>Urban Spaces</td>
<td>Covenant recorded 8/6/19. Building Permit issued 9-3-19(Charles Street) and 12-23-19 (Hurley Street) Under Construction. Completion expected Fall 2021.</td>
<td>16</td>
<td></td>
<td>Ordinance prior to revision</td>
</tr>
<tr>
<td>8. 50 Cambridgepark Drive</td>
<td>Hanover</td>
<td>Covenant recorded 8/6/19. Building Permit issued 12-5-19. Under Construction</td>
<td>55</td>
<td></td>
<td>Revised ordinance at 20% sf requirement</td>
</tr>
<tr>
<td>10. 95-99 Elmwood</td>
<td>95-99 Realty</td>
<td>Covenant recorded. Building Permit issued 7-2-20. Under construction.</td>
<td>4</td>
<td></td>
<td>Ordinance prior to revision</td>
</tr>
<tr>
<td>11. Cambridge Crossing, Building</td>
<td>DivcoWest</td>
<td>Covenant recorded; Building Permit issued 8-24-20 Under construction.</td>
<td>54</td>
<td></td>
<td>Ordinance prior to revision</td>
</tr>
<tr>
<td>12. 212 Hampshire Street (Ryles)</td>
<td>212 Hampshire LLC, Binoj Pradhan</td>
<td>Covenant recorded. Construction complete. Tenant selection underway</td>
<td>1</td>
<td></td>
<td>BZA requirement of affordable unit</td>
</tr>
<tr>
<td>14. 40 Thorndike Street, Court House</td>
<td>Leggat/McCall</td>
<td>Covenant recorded. Building Permit issued.</td>
<td>48</td>
<td></td>
<td>All units are affordable</td>
</tr>
</tbody>
</table>

**Under Development:**
- 440

**Completed Units:**
- 831

**All Units:**
- 1271

**1848**

### Active Pipeline Projects

<table>
<thead>
<tr>
<th>Active Pipeline Projects</th>
<th>Developer</th>
<th>Status</th>
<th>Rental Units</th>
<th>Ownership Units</th>
<th>Applicable zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 605 Concord Ave.</td>
<td>Abodez Acorn</td>
<td>Covenant recorded; pending building permit</td>
<td>7</td>
<td></td>
<td>Revised ordinance at 15% sf requirement</td>
</tr>
<tr>
<td>2. 3-5 Linnean</td>
<td>Willow Land Corp.</td>
<td>Covenant recorded; pending building permit</td>
<td>1</td>
<td></td>
<td>Zoning for basement overlay</td>
</tr>
<tr>
<td>3. 1043-1059 Cambridge St.</td>
<td>418 Real Estate</td>
<td>IHP plan was submitted. Property sold.</td>
<td>3</td>
<td></td>
<td>Revised ordinance at 20% sf requirement</td>
</tr>
</tbody>
</table>
MEMORANDUM

To: Cambridge Affordable Housing Trust
From: Christopher Cotter, Housing Director
Date: August 25, 2021
Re: Jefferson Park Federal Funding Request

We are sharing with you the following material related to the Cambridge Housing Authority’s request for $43,611,615:

- Memo from CDD Staff outlining CHA’s funding request
- CHA Proposed Site Plan for Jefferson Park Federal
- Memo from CHA responding to questions submitted when the Trust discussed this request in February 2021
MEMORANDUM

To: Cambridge Affordable Housing Trust
From: Christopher Cotter, Housing Director
Cassie Arnaud, Senior Housing Planner
Gabby Geller, Housing Development Planner

Date: August 25, 2021
Re: Jefferson Park Federal Funding Request

After several years of planning, the Cambridge Housing Authority (CHA) is preparing to begin the comprehensive redevelopment of its Jefferson Park Federal property (JP Federal) and is requesting up to $43,611,615 ($157,443 per unit) in Trust funds to assist with its plan to construct 277 new affordable rental units to replace the 175 units currently at the site. The funds being requested from the Trust will help the CHA revitalize the JP Federal site and leverage close to $210 million in additional public and private funding.

Background
Over the last decade, the CHA has been seeking solutions to the critical capital needs of its public housing portfolio, which has been chronically underfunded in both operating and capital expense needs. In the case of JP Federal, a capital needs assessment revealed that a level of significant physical deterioration and rehab needs greater than anticipated. CHA’s investigations uncovered failing masonry, substantial water damage and mold and mildew so severe that the CHA was forced to take 57 units offline in 2017 when they were determined to be uninhabitable after years of water infiltration and attempted remediations that were costly and ineffective for the long-term.

As a result of the deteriorating conditions and expense of maintaining substandard buildings, CHA decided to pursue modernization of JP Federal through its proposed complete demolition of the existing buildings and rebuilding. A complete reconstruction will allow for CHA to improve the configuration of the site and its connection to the surrounding neighborhood. CHA applied for and was granted a Section 18 Disposition from HUD in 2017, which will allow the project to support nearly $302,000 per-unit in permanent debt. These resources are critical to the CHA’s plan.

The proposed plan would replace the existing 175-unit JP Federal development by demolishing 11 existing buildings and creating six new buildings of differing-sizes to create a total of 277 units, an addition of 102 new units. Approximately 80% of the units will be two bedroom or larger with almost 40% of units having three bedrooms or more as shown in the chart below:
The redesign of the JP Federal site will allow for the addition of 102 new deeply-affordable apartments, and will allow the property to better connect to the wider neighborhood by building off the street grid of North Cambridge through replacement of a dead-end and single-entry road with new roads in order to provide multiple entrances and exits from the property. CHA’s plan will also provide individual entries to many apartments. The redesign will also allow for the creation of more usable outdoor space for residents including both active (playground, water features, grills) and passive (seating under trees) open areas. The new buildings will provide updated management, maintenance, and community space, and include space for the existing Head Start program that operates on-site.

**Sources and Uses**

As you may recall, we provided an update on JP Federal at the February 2021 meeting at which time the CHA anticipated they would need approximately $35,400,000 in Trust funding to support an estimated total development cost (TDC) of approximately $229 million. Since that time, the CHA has refined its design and development plans and received updated estimates which have been impacted by COVID-related construction cost increases. CHA has also made several changes to its site plan as it has responded to comments it has received. While CHA’s request is greater than what we anticipated earlier this year, it remains below our earliest estimates due to the legislative changes to the tax credit program which will increase the equity yield on tax credits for developments like JP Federal.

The TDC for Jefferson Park Federal is now currently estimated at $251,769,435, an increase of more than $22 million from estimates from earlier this year. We have reviewed with CHA to understand the factors that have driven this increase. A major component of the high cost of CHA developments is due to the CHA’s procurement requirements and public bid requirements. Another major component has been COVID-related increases in construction and materials.

The premium the CHA pays adds an estimated 25-30% to the cost of construction due to prevailing wage requirements as well as the public bid requirements. The premium from the CHA’s procurement obligations requires more state and local resources as compared with projects that are not subject to these requirements. As we often see with CHA-sponsored developments, CHA is committing its own resources to assist with funding this redevelopment.
The following table provides a summary of the CHA’s development budget:

<table>
<thead>
<tr>
<th>JP Federal Budget</th>
<th>Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acquisition</td>
</tr>
<tr>
<td></td>
<td>Hard Costs</td>
</tr>
<tr>
<td></td>
<td>Contingency</td>
</tr>
<tr>
<td></td>
<td><strong>Hard cost total</strong></td>
</tr>
<tr>
<td></td>
<td>Soft Costs</td>
</tr>
<tr>
<td></td>
<td>Reserves</td>
</tr>
<tr>
<td></td>
<td>Paid Developer Fee</td>
</tr>
<tr>
<td></td>
<td>Deferred Developer Fee</td>
</tr>
<tr>
<td><strong>Total Development Costs</strong></td>
<td><strong>251,769,435</strong></td>
</tr>
<tr>
<td>Sources of Funds</td>
<td>CAHT</td>
</tr>
<tr>
<td></td>
<td>1st Mortgage</td>
</tr>
<tr>
<td></td>
<td>4% LIHTC</td>
</tr>
<tr>
<td></td>
<td>CHA Program Loan</td>
</tr>
<tr>
<td></td>
<td>Accrued Interest CHA Program Loan</td>
</tr>
<tr>
<td></td>
<td>DHCD Soft Funds</td>
</tr>
<tr>
<td></td>
<td>Deferred Dev Fee</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>251,669,435</strong></td>
</tr>
</tbody>
</table>

We will continue to work with CHA staff to review and assess options for reducing the amount of Trust funding needed here and expect that as commitments from debt and equity investors are solidified, they might reduce the overall need for Trust subsidy somewhat.

Construction Costs - Current estimates for construction costs show an increase of more than $29 million from earlier estimates. The CHA attributes much of this increase to COVID-related cost impacts, as well as site design changes required to respond to comments on its design. While the buildings were originally designed to be stick-built, after running various cost analyses with increased material costs, CHA opted to switch to light gauge metal construction given dramatic increases in lumber costs, which increased 36% during the peak of COVID-19 and remain high in Massachusetts. There are benefits of steel frame construction including lowered insurance costs, however it is more expensive than wood-frame construction as had been initially planned. Additionally, CHA made some changes to its site design after reviewing it with the Fire Department earlier this year in order to widen streets on the site to better accommodate their vehicles. Site design changes have also been made in order to add to open areas and save additional trees were possible. CHA will be planting more than 185 new trees, more than replacing those that will be removed.

Soft Costs - The change in construction materials and site design required significant additional architecture and engineering work and increased costs by $500,000. Overall soft costs increased by more than $3,000,000 due to increased financing fees and construction loan interest from an increased construction loan needed to fund the permanent loan amount during construction.
To balance out the cost increases, CHA made a reduction in its developer fee of almost $12 million. This lowers the TDC but also reduces the size of the CHA’s “Program Loan” and the accrued interest which the loan generates, which was to be contributed back to the project as a source.

Project Sources- In addition to the requested Trust funding of $43,611,615, the project will be funded with a first mortgage loan, 4% low-income housing tax credit equity (LIHTC), subsidy funding from DHCD, and a Program Loan and deferred fee from the CHA. The CHA will seek a first mortgage of $84,000,000, which is nearly $14,000,000 higher than initially anticipated due to favorable increases in voucher rents and operating cost assumptions.

MassHousing has approved a tax-exempt bond allocation which will allow the project a 4% LIHTC allocation. CHA is making a conservative estimate of $.90 per credit for their equity yield. We think this yield might be higher as final pricing is determined which could help reduce the funding needed form the Trust. Additionally, CHA is requesting $10,000,000 in funding from DHCD. Finally, the CHA will contribute $24,555,280 via a CHA Program Loan, $2,431,375 in accrued interest from its Program Loan, and $1,000,000 of deferred developer fee.

Timeline and Next Steps

The CHA is working to meet required HUD deadlines and retain the vouchers that have been committed to this project. The CHA is hoping to have all financing assembled in time to begin the bidding process in early 2022 with a goal of closing on construction in summer 2022.

The redevelopment of Jefferson Park is being designed and permitted by CHA under the City’s Affordable Housing Overlay (AHO). The CHA began the Affordable Housing Overlay (AHO) process this spring and held two neighborhood meetings in March and April. CDD staff are now working with CHA as they prepare for their advisory design review with the Planning Board which we expect to be scheduled in September or October.

CHA has also been holding regular meetings with their residents on the project design as well as relocation plans for residents.

Recommendation

The physical conditions at JP Federal have necessitated the need to demolish the existing structures and build new housing in order to ensure its long-term viability. CHA’s rebuilding of the JP Federal development provides an opportunity to create a more sustainable project that can better integrate buildings into the surrounding neighborhood. It will replace the 175 existing units, including the 57 units that have been vacant for several years, and also create
more than one hundred new affordable units. Given the CHA’s demonstrated success at JP State, staff are confident that the CHA will be able to achieve similar success with the reconstruction of JP Federal.

Staff recommend that the Trust approve the CHA’s request for up to $43,611,615 in Trust funds for CHA’s Jefferson Park Federal redevelopment. We have reviewed and discussed this request with Peter Daly, Susan Schlesinger, and Jim Stockard, who agreed with our recommendation to bring this request to the Trust and recommend approval.

We recommend any funding commitment be made contingent on the following:

1. CDD staff approval of the final development and operating budget;
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 which shall include preference for Cambridge residents to the greatest extent possible;
5. Standard Trust terms and conditions, including:
   • All units shall be subject to the City’s standard affordable housing restriction to be signed at loan closing, subordinate only to first mortgage financing as may be required by that lender, and similar agreements required by the Department of Housing and Urban Development (HUD);
   • All units shall be restricted to households earning below 80% of Area Median Income as defined in the affordable housing restriction.
   • The loan shall have an interest rate of 8% simple or 2% compounding, or such other rate approved by Staff;
   • The loan shall be subject to a penalty rate of 12%, applicable upon a violation of the affordable housing restriction;
   • All principal and accrued interest shall be due and payable at the end of the term; however, the repayment date may be extended for an additional term upon approval by the Trust and extension of the affordability period;
   • The loan shall provide for repayment of principal and interest from net cash flow from the development on terms acceptable to staff;
   • The loan shall be non-recourse;
   • Any reductions in project costs or increases in non-Trust funding sources shall be used to reduce the amount of the Trust commitment.
This memorandum provides direct responses to comments submitted to the Cambridge Affordable Housing Trust (CAHT) by Jefferson Park Resident James Williamson on February 24, 2021 with the subject, “Some Preliminary Remarks for the CAHT about CHA’s plans for the Complete Demolition of Jefferson Park.” It also summarizes how CHA staff have worked with him and other residents regarding the planned redevelopment.

**Background:**

Since planning for the redevelopment of Jefferson Park began in 2016, CHA staff have maintained communication with residents at each step of the planning process. Staff have held over 20 in-person or virtual meetings with residents, distributed dozens of newsletters with project updates, met with residents on-site and made staff available by email or phone during the day and after work hours. CHA staff have directly engaged with over 70 households at Jefferson Park, excluding meetings with the CHA’s Relocation Coordinators, who started working with all JP Fed residents one-on-one in June 2021. Throughout this process the response from residents has been overwhelmingly positive. Almost all current residents support the planned modernization and understand why it is needed. We know this because we have taken criticisms of our process and communication seriously and launched a survey in January 2021 with a $20 incentive for completing it to better understand how residents felt about the planned modernization. CHA staff have also made great efforts to engage residents through all of the measures listed above to speak with residents and record feedback. Understanding that there is no replacement for in-person connection, CHA staff started meeting with residents onsite, one-on-one and in group tabling sessions this summer as soon as the majority of staff and residents were vaccinated in order to add another method for sharing new information, answering questions, and gathering feedback.

The CHA has taken Mr. Williamson’s and all resident’s concerns and comments to heart, as is evidenced by the design changes made to the proposed road along the abutting North Cambridge
Catholic Cemetery after concerns were raised about the design treatment of this area. These changes included widening the planting area along the cemetery, narrowing the proposed street moving utilities to protect existing trees, adding a significant number of trees in this area, and adding seating areas along the cemetery. Because the CHA must balance all interests in the development, not all concerns raised by residents or community members result in a material change in the designs. Concerns raised over the proposed site plan and demolition of the existing mid-rise building (1000 Jackson Place) led to extensive re-examination of new designs and past decisions made by the CHA. While ultimately no changes were made based on this re-examination, the project benefited from this additional scrutiny. CHA staff, our architects and project consultants have spent a great deal of effort examining concerns raised by our residents and community members at large. This is in addition to the time CHA staff has spent corresponding directly with residents during the 20+ resident meetings, over 45 hours dedicated to answering questions with residents on-site, and hundreds of phone calls with residents during staff office hours. Staff have also made themselves available after-hours to correspond with residents and hear their concerns.

CHA Responses:

Excerpts from Mr. Williamson’s February 24, 2021 email to the CAHT have been copied below in italics for clarity.

Re: Jefferson Park Demolition and Enlargement

To Whom It May Concern:

1) This was once a venerable instance of rather capacious public housing which people in Cambridge were proud to live in and to be from. Is there nothing worth preserving or saving/worth renovating here?

CHA Response:

The communities that have called Jefferson Park home for the past seventy years deserves to be preserved. With rising housing prices displacing Cambridge residents every day from their communities, tearing down the existing buildings and building new is the only way to preserve and expand the communities at JP Federal. The condition of the low-rise buildings are not salvageable, and the mid-rise building is in such poor condition that renovating the existing building would be just as expensive building new. Building new allows a new design to address current site deficiencies like accessibility challenges, as well as providing the opportunity to add additional units and increase the number of units with private entrances and direct access to open spaces. The existing design has open spaces that are accessible and utilized by very few people. The new site plan was built around providing even larger open spaces that are available for use for more residents, and includes spacious semi-private courtyards modeled after the popular courtyards at Roosevelt Towers and Lincoln Way, but at almost twice the size of these precedents.
2) Although obviously less “dense” than Woodrow Wilson Court, for example, is that the measure of how dense all low income affordable housing in Cambridge must now be? Why? Where are the regional responsibilities for expanding affordable housing being taken up? Why must everyone, especially poorer folk, live in an ever-densifying Cambridge? While expanding the provision of housing for some, doesn’t the impact of an additional 100-120 units on the same site have a demonstrably negative impact on the current residents? Can we not have better units without necessarily having to live in a development approximately 70 per cent more concentrated? Pack ’em in like sardines? Because we’re poor and have no power?? People who don’t live here yet supposedly count for a lot... But we who live here now don’t count, with the result an increasing “concentration of poverty” for both? What happens to those others after they move in? Do they then cease to count, too, like we evidently now do??

CHA Response:

The CHA does not believe that adding 102 new apartments to the Jefferson Park Federal property will have a negative impact on current residents of JP Federal. Though density will increase, thoughtful design and requirements of the Affordable Housing Overlay cap the height onsite and balance open space with buildable area. This results in an FAR of 1.20 for the proposed JP Federal. For comparison, the FAR of the CHA’s Roosevelt Towers is 1.25 and Woodrow Wilson Court is 1.95. The FAR for HRI’s Trolley Square is 1.37 and Auburn Court is 1.62. These are all successful and highly coveted affordable developments in the City.

As stated earlier, more units do not mean worse design or a negative impact on residents. Thoughtful redesign of the site allows for greater useable opens space by merging many small green areas into a handful of large, usable open spaces and opening up edges of the site that are currently underutilized. In its existing configuration, Jefferson Park is a dead-end two-way street that becomes congested during busier hours. By adding new roads in and out of the site and mirroring the block configuration of surrounding neighborhoods, the new streets will have less traffic because it will be spread out along several streets and eliminate the one-way-in one-way-out traffic congestion.

Furthermore, North Cambridge is not among the densest neighborhoods in Cambridge, with a housing unit per acre of 11.6. Neighborhoods like the Port, Cambridgeport and Wellington-Harrington have densities of 15.7, 16.6 and 19.3, respectively. The only areas less dense than North Cambridge are West Cambridge, Strawberry Hill and Agazzzi neighborhoods. North Cambridge is one of the few neighborhoods with buildable land in Cambridge and as a result it is getting denser, but North Cambridge is not too dense. To argue that this development is concentrating poverty is hard for the CHA to understand due to its location in a high opportunity area like Cambridge, and in a highly desirable neighborhood like North Cambridge, with multiple grocery stores, services, schools and transportation all within walking distance. As residents begin the relocation process the vast majority want to stay in North Cambridge, because it is such a great place to live.

Lastly, the CHA needs to balance the needs and desires of current and future residents. At the current time, the CHA has over 20,000 applicants on its waiting lists and of those,
over 6,000 have a local Cambridge preference. At a 10% annual turn-over rate of CHA units in Cambridge, it would take 20 years to house those that claim a local preference and that assumes no new applications for this group during this time. A key part of the CHA’s mission is to create more safe, sanitary and affordable housing in Cambridge. The need is urgent as chronicled in the CHA’s recent publication The Can’t Wait List. This extraordinary publication puts a human face on the almost incomprehensible number of individuals and families on the CHA waitlist. Their stories, and what the opportunity for affordable housing would mean to these real people is a powerful testament to the need for additional affordable housing in Cambridge.

Furthermore, the CHA has met with over 60% of households at JP during the design process and almost everyone has expressed support for more affordable housing in the City. Here is a collection of a few of their quotes:

“I think new construction and adding more apartments is a good idea. I think a lot of people need it and it is beneficial.”

“More housing is important. You can never have enough units”

“I feel good about rebuilding and building more. It’s a good opportunity.”

3) Why is moving a street that currently connects directly across Rindge Ave to a dead end condition at the edge of the development by the cemetery being described as “improving connectivity”??

CHA Response:

The CHA agrees that connectivity would be improved if the connection to Jackson Street could be kept, but this is not possible given the constraints of the existing site and the project’s goal of adding units with front doors to the street and increasing the number of affordable units at the development. The stated design goal of increasing connectivity with the neighborhood is being addressed by creating a development that mirrors the block grid of the surrounding neighborhood, connects JP Federal with JP State, and replaces one dead end street into and out of JP Federal with multiple entrance and access points. Furthermore, Building 1 is designed with a walkway through the building connecting foot and bicycle traffic on Jackson Street to the interior of the site and playground proposed for the Head Start program and young children at JP Federal.

4) Meetings with residents/tenants have been very poorly attended; information has been withheld; those who do show up have been steered toward pre-determined outcomes desired by CHA and their architect. Five options were once being considered. Two weeks before the last in-person resident meeting two of those options were eliminated and no one at that meeting was ever told that those other options existed (other than myself, who happened to spot something during the presentation, which led me to ask following the meeting.) Those options entail potentially renovating two buildings at the southeast corner of the
development. A six story building here - either existing or new - could provide more housing than a four story building, and would also have the merit of respecting and preserving the beneficial relationship which currently exists between the back of these buildings and the pleasant and relatively more quiet green open space buffer to the rear which then extends out across the North Cambridge Catholic Cemetery. This will all be destroyed by their current “site plan” (touted as a “street grid” - yeah, right...) by imposing a street and parking along the entire length of the cemetery, to supposedly “activate” these supposedly “under-utilized” spaces of Jefferson Park. This is actually the most beloved feature of Jefferson Park for me, and I suspect, for many others, but we don’t know for sure, because the CHA have never done a honest, skillfully and thoughtfully designed and implemented survey of residents along this side of the development, where residents might actually be eager to participate were they/we to know that their/our feelings and views would actually matter to decisions about this aspect of the plans.

CHA Response:

Meetings at our family sites have typically had lower turnouts than our elderly/disabled developments because working families are busy. This is in part why we have committed to a multi-prong approach to distributing information and collecting feedback that includes newsletters, bulletin boards, staff office hours via the phone, surveys with a $20 cash incentive for every household that completes the survey, outdoor and in-person tabling sessions, and a project website. All of the aforementioned communication strategies are devoted to providing updates, answering questions, and gathering feedback. The recent Zoom meetings we have held have had higher attendance than in person meetings held previously in-person at this development. Our first relocation meeting was attended by over 50 individuals. The CHA is always looking for opportunities to expand engagement. As Vaccination rates increased and COVID 19 cases dropped, CHA staff began holding a series of in-person “table sessions” at Jefferson Park to answer resident’s questions and engage with residents who did not regularly attend meetings. The CHA is planning an additional outdoor, in-person resident meeting for this week, as well. As stated earlier, the CHA has met with over 70 households at JP Federal during the design process – over 60% of occupied households.

5) Clear cutting over 200 trees cannot be a welcome approach to sustaining a healthy natural environment for lower income people, who - “research shows”- have a great need for relatively capacious green natural open space, as is the case at Jefferson Park currently! (There’s a reason they called it Jefferson “PARK,” after all...)

CHA Response:

There are approximately 202 existing trees on the Jefferson Park Federal property and the majority of the existing trees are in poor health. Great efforts have been made to preserve as many existing trees as possible and the current plan preserves 50 of the 202 trees on site. To preserve as many trees as possible we have moved utilities, buildings and roads to avoid disturbing as many trees as possible. An arborist and tree moving specialist were contracted to identify any existing trees that would be candidates for relocation, but none were healthy enough to move. Lastly, to avoid damaging existing trees, the grading
of the entire site was preserved, and the buildings have been designed to step down, instead of keeping the first floor of an entire building flat and matching the grading to it. We will be replanting as many trees as possible on site and the largest open space (almost half the size of a football field) is being designed to be a park for residents to use. In addition to preserving 50 mature trees, we will be planting 187 new trees, a net gain of 35 trees on site. These trees will mostly be faster growing canopy species. A large investment is being made in the future tree canopy of this site, and trees will be selected and placed to maximize the amount of canopy in as little time as possible. Part of this investment includes creating large 24 square foot tree wells (some city street trees are planted in as little as 3-4 square feet). Engineered soils will be added around these tree pits to allow roots to travel underneath permeable pavement and grow into adjacent lawns.

6) Does good stewardship matter? How much investment in the 1000 Building will now be unnecessarily squandered to enable “at-grade entries” and a circumferential street, with unpleasant parking and noise under new windows?

CHA Response:

Buildings require constant maintenance and previous work is only relevant if that work or repair is still in good condition. Just because the building has a newer elevator does not justify keeping the building if the other repairs that have to be made are equal to the cost of building a new building with a new elevator. We do not view the proposed parallel parking as “unpleasant parking”. There are currently 103 parking spaces onsite and residents regularly comment about how quiet JP Federal is. Though the CHA is increasing the number of apartments onsite, adding more streets in and out of the site will make each street even quieter than they are today.

7) How prudent is it to do massive additional building in a flood zone? Are the CAHT aware that the 2010 FEMA Flood Zone Maps show a line going right through the middle of the 1000 Building? Elevators had to be completely replaced here due to the failure to have the foresight to move the machinery out of the basement, which flooded. (Cost to the CHA? $350,000.) A brand new boiler was built in the basement, connected to the two adjacent buildings, for more efficient provision of heating. And now?? To be demolished. Green roof? Gone. Re-pointed bricks? Bye-bye...

CHA Response:

None of the site is below the 2070 100-year flood elevation, which is the City’s metric for identifying flood-prone areas that trigger additional city requirements for mitigation. A small portion of the site near the railroad is below the 2070 500-year flood elevation. We have learned from the extensive problems with water damage to basement units and flooding caused by the high water table in the area and the new designs will be much more resilient to flooding. This will be achieved by constructing buildings up out of the 500-year flood plain at the lower end of the site, moving most mechanical equipment to upper floors and rooftops, and entirely eliminating basement apartments. The current
buildings do not have green roofs, but the new rooftops will include a large array of photo-voltaic solar panels. In addition to concerns over flooding, the new buildings will be much more resilient to a changing climate. The apartments will have central air-conditioning, and the community spaces will serve as cooling/warming spaces in the event of power outages.

8) The proposed new buildings are reminiscent of those old housing “blocks” which are confining, and center, square-like, around tight interior courtyards, which seem a lot like the design of those stereotypical public housing “projects” of old which were long ago rejected as not beneficial for residents/tenants. Is that what we are now going to be returning to, with a few cosmetic improvements, and decorative “details” - buildings that may look nice, but won’t be built to last, and will be harder for the maintenance staff to work on, as has been reported regarding the new State Side construction, with impoverished “ceremonial” green spaces that are inhospitable to resident enjoyment? Can we avoid making big mistakes in what we allow and finance here at Jefferson Park?? Thanks. (I hope to refine some of these observations prior to your next, evidently more formal, discussion.)

CHA Response:

Affordable housing was often built around a central courtyard, but a shared entrance into the building would be inside the courtyard and individual residences would not have their own doors. This historic design was completely inward focused, as the backs of the buildings were facing the surrounding neighborhood. The design for the redevelopment of JP Federal mimics the design of the surrounding neighborhood with individual doors for apartments facing the street and direct access to semi-private open space for residents only in the center of buildings, separated from the street. Two successful precedents for this design typology are the CHA’s Lincoln Way and Roosevelt Towers Low-Rise developments. The shared courtyards are a favorite of residents and allow for children to be easily supervised. As mentioned earlier, the proposed courtyards at JP Federal will be almost double the size of the courtyards at Roosevelt Towers and Lincoln Way.

All buildings require upkeep and maintenance. The current buildings at Jefferson Park are only still standing because of all the major repairs and ongoing maintenance that has occurred over the years. New construction technologies will allow us to build a more sustainable and energy efficient building to help meet the challenges of climate change.

We are always learning from previous projects. Two of the major lessons learned from Jefferson Park State were to plant more canopy trees as opposed to ornamental trees and to provide more usable open space versus “ceremonial” open space Mr. Williamson mentions above. As a result, the proposed design of JP Federal will have significantly more usable open space than the existing development. Usable open space, as defined by zoning will be increased by over 60%, so green spaces will be much larger than JP State, or even in the surrounding residential blocks. In addition, we are planting canopy trees quickly and planting them in optimum conditions as described above.