

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
March 28, 2024 at 4:00 p.m.

Conducted via Zoom and in person (City Hall, Ackermann Room)

Trustees Present in Person: Yi-An Huang, Chair; Teresa Cardosi, Alyson Stein, Jim Stockard, Bill Tibbs, Elaine Thorne

Trustees Present via Zoom: Florrie Darwin, Elaine DeRosa, Susan Schlesinger

Staff Present: Chris Cotter, Housing Director; Iram Farooq, Assistant City Manager for Community Development; Cassie Arnaud, Senior Manager for Housing Development; Janet Haines, Housing Planner; Christine Yu, Associate Housing Development Planner; Anna Dolmatch, Senior Manager for Homeownership; David Guzman, Asset and Compliance Manager

Others Present: Lee Farris, Sue Reinert, David Webster, Raffi Mardirosian, Susan Gittelman, Caleb Danforth

The meeting was called to order at 4:04 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 remote participant could hear the meeting and was audible to others.

MEETING MINUTES

Upon a motion moved and seconded, by roll call of nine in favor, it was voted to approve the minutes for the meeting of March 6, 2024.

CDD UPDATE

HomeBridge: There are 12 active buyers in this program looking for a home.

Resale Program: There are 22 resale units in process.

Jefferson Park Federal: Demolition is complete and initial site work is underway. Staff are working with CHA on the full construction closing.

Rindge Commons Phase 1: Construction is almost complete, and the lease-up process will begin soon. Staff are in discussions with JAS about the second phase of this project.

Walden Square II: Winn had its first Planning Board design advisory meeting on Tuesday, March 12th. Staff are reviewing a Trust funding request and will present that to the Trust at an upcoming meeting.

35 Cherry Street: Staff are in discussions with JAS about their plans to develop homeownership units at this site. Staff and Trustees discussed JAS's design and community process.

OTHER BUSINESS:

Homeownership: A new homeownership lottery application process for three units at 1055 Cambridge Street began on March 25th and will close on April 29th. Staff are also working on implementing the new policy changes that the Trust approved earlier this year.

Zoning Petition: A zoning petition was presented to the Council regarding potential changes to how the Affordable Housing Trust operates. Staff will put the petition on the agenda for the April Trust meeting.

Upcoming Housing Committee on Vouchers: The City Council Housing Committee will discuss the feasibility of municipal-funded housing vouchers on April 30th.

Ms. DeRosa asked how these vouchers will be funded. Mr. Cotter answered that that would be part of the discussion but that the funding could potentially be requested from the Trust.

NEW BUSINESS

Blanchard Road Funding Request

Mr. Cotter presented a funding request from B'nai B'rith Housing (BBH) for up to \$18,169,120 to assist with their plans to develop 110 units of affordable senior housing at 87-101 Blanchard Road. Although this project is BBH's first development project in Cambridge, BBH is an experienced affordable housing provider with a strong history of affordable housing development in the Boston Area and has a portfolio of senior housing developments.

The proposed project will be a six-story building, stepping down to 4 stories, with 110 one-bedroom units of affordable rental housing for seniors, community space, a fitness room, and other amenities. All units will be restricted to 60% AMI, with 33 of those units being offered to residents at 30% AMI. Supportive services will also be provided to residents, such as assistance with health care, transportation, and social programs.

This project will be the first senior project that the Trust has seen in several years. BBH has provided information from the Metropolitan Area Planning Commission (MAPC) on the existing demand for affordable senior housing in Cambridge, as well as information collected from local senior agencies.

BBH estimates this project's total development cost to be \$71,068,794 or \$646,080 per unit. Development will occur in two phases to maximize the allowable amount of state funding and project-based vouchers. BBH is proceeding with the project under the Affordable Housing Overlay (AHO) and has completed the AHO community process. They are in the design review stage with the Planning Board and had their first meeting in January 2024.

After Mr. Cotter provided an overview of the proposal, staff and Trustees discussed services that senior residents may benefit from and how the commercial space at the site will serve residents and the community. Ms. Cardosi suggested that coordinating veterinarian visits to the site might be a useful service to explore, since many seniors have pets.

Trustees commented on the increased need for senior housing and how the Trust should fund more of these types of projects. Ms. Schlesinger mentioned that inclusionary zoning typically produces more one-bedroom units, though those units may not provide enough supportive services for seniors. While the Trust has funded some senior housing in the past, the primary option for senior housing is the Cambridge Housing Authority.

Ms. Stein noted that there is a wave of seniors who want to age in place and suggested that the Trust might want to expand its prioritization to include housing for seniors. Staff and Trust members agreed that other proposals for similar service-enriched housing from experienced housing providers should certainly be considered when they arise. Mr. Cotter emphasized BBH's commitment to and experience in producing senior housing and agreed that staff are open to working with other experienced providers that can help address the housing needs here.

Ms. Stein asked why the Trust historically has prioritized family-sized units over smaller units. Several Trustees answered that there is a significant need for family-sized units in Cambridge that are explicitly affordable, which is not being met by the housing being produced in the market and by extension through the Inclusionary program. The housing produced by the market and made affordable through inclusionary zoning has been mostly smaller units, studios and one-bedrooms so the Trust has prioritized the production of larger units. It was also noted that the priority demand for family sized units has been a concern dating to the end of rent control when many families were displaced. Staff also noted the overall goal of maintaining families in Cambridge, given the well-resourced schools.

Prior to voting, staff responded to questions from some members regarding the amount of Trust funds available for requests like this. Staff noted that there were sufficient funds available to cover this request and that staff would prepare a more detailed update on the Trust's fund balance at an upcoming meeting and note amounts of funds that have been committed, obligated, and spent.

Upon a motion moved, seconded, and approved by roll call of nine in favor, it was:

VOTED: to approve the Trust funding request of up to \$18,169,120 from BBH to assist with their plans to develop 110 units of affordable housing at 87-101 Blanchard Road, as outlined and subject to the terms and conditions set out in the Trust briefing materials.

Print Shop Condominium Request

Mr. Cotter presented a request to amend a condition for the funding request for the Print Shop Condominium. In October 2023, the Trust approved up to \$3,000,000 in funding for exterior work at the Print Shop to address its water issues in order to preserve the building. During the preparation for loan closing, staff determined that making funds available with a 50-year loan term is not the most advisable approach for this loan, and that a loan term of less than 50 years will give flexibility to work with the condo association to select a term that works best for the condominium structure and the Trust's terms and conditions.

In response to questions regarding the need for the amendment as well as what repairs are needed, staff answered that the repairs were primarily needed for the exterior of the building, such as the roof. Additionally, this amendment is needed because the affordability is already in place going forward for these the units, but the term is associated with the loan. Ms. Schlesinger asked if the Trust has done this

type of funding before. Mr. Cotter answered that the Trust has not done this type of funding before. Ms. Dolmatch noted that with long-term affordability in place already, having a long-term loan may impede their ability to finance other needed work in the future.

Upon a motion moved, seconded, and approved by roll call of nine in favor, it was:

VOTED: to approve an amendment to Item #11 in the conditions for the funding request for the Print Shop Condominium voted and approved on October 26, 2023.

Neville Communities Funding Request

Mr. Cotter presented a request from Neville Communities, Inc. (NCI) for an additional \$3,225,500 in Trust funding to assist with capital work at their 71-unit assisted facility, Neville Place. He reminded the Trust that Neville Place is separate from NCI's adjacent skilled nursing facility, Neville Center, and that both were part of a partnership of several public agencies, including the Trust, which together formed Neville Communities, Inc. This funding increase would bring the total requested Trust funding for Neville Place to \$5,670,500.

The Trust's 2023 funding approval was subject to several conditions, such as obtaining a commitment to refinance the existing mortgage, forming a working group to review and update the tenant selection procedures, and the creation of a plan to increase utilization of the project-based voucher resources. Some of the funding would be available early for immediate capital needs while the remaining funding would be disbursed over time, once specific funding conditions are met. Staff recommended that these conditions remain and that an additional condition be added to require a new Capital Needs Assessment (CNA) by a third-party professional to determine both the scope and priority of future capital needs.

This current request for \$5,670,500, an increase of \$3,225,500 to the \$2,445,000 approved last year, will help complete planned capital repairs for over the next five years. The need for additional Trust funding is due to increases in capital costs, as well as an expanded scope of work.

Chair Huang provided an overview of the history of the property, its unique relationship with the City, and its importance as a housing resource. Mr. Stockard provided background information based on his experience sitting on the Neville Board, as the Trust's representative to the Board. Both Mr. Stockard and Chair Huang commended the staff for their diligent work to find ways to resolve and address a complicated problem.

Ms. Thorne asked if Neville only takes Cambridge residents. Mr. Cotter answered that anyone can apply for housing at Neville but that the resident selection policy includes a preference for Cambridge residents.

Staff and Trustees discussed Neville Manor's cash flow, debt service coverage ratios, and the size of their loans. Staff informed Trustees that the pandemic negatively impacted Neville Manor's finances to the point where their DSRC dropped below desired ratios, but that cash flow seemed to now be returning to normal, healthy levels. It was noted that the cash flow at Neville Center, the nursing facility, was more strained. Trustees expressed concerns about NCI's ability to refinance given this but agreed that having the Trust's funding approval for capital work at Neville Manor will show good faith to lenders who might refinance the existing mortgage.

Upon a motion moved, seconded, and approved by roll call of nine in favor, it was:

VOTED: to approve the Trust funding increase request of up to \$5,670,500 from NCI to assist with renovation work at their 71-unit assisted living facility, Neville Place, as outlined and subject to the terms and conditions set out in the Trust briefing materials.

MOVE TO EXECUTIVE SESSION

Mr. Cotter indicated that the next item for discussion before the Trust pertained to details regarding the potential acquisition of real estate. Due to the sensitive information to be discussed, continuing in open session might have a detrimental effect on the negotiations. At 4:57 PM, Mr. Cotter entertained a motion to go into Executive Session to discuss this matter and indicated that the Trust would adjourn at the conclusion of the Executive Session.

Upon a motion moved, seconded, and approved by roll call of nine in favor, it was:

VOTED: for the meeting to go into Executive Session.

ADJOURNMENT

Upon a motion moved and seconded, by roll call of nine in favor, it was voted to adjourn the meeting.

The meeting adjourned at 4:44 p.m.

The next meeting is scheduled for April 25, 2024 at 4:00 p.m.

Meeting Materials:

- Agenda
- Minutes from the Trust's March 6, 2024 meeting
- Project Update
- Blanchard Road Funding Request Memo 3.28.2024
- Print Shop Condominium Term Update Request Memo 3.28.2024
- Neville Communities Inc. Funding Request Memo 3.28.2024