

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
July 31, 2025 at 4:00 p.m.
Conducted via Zoom and in person (City Hall, Ackermann Room)

Trustees Present in Person: Teresa Cardosi, Raffi Freeman, Alyson Stein, Jim Stockard, Elaine Thorne

Trustees Present via Zoom: Chair, Yi-An Huang; Elaine DeRosa, Krissandra Robinson

Staff Present: Melissa Peters, Assistant City Manager of Community Development; Chris Cotter, Housing Director; Anna Dolmatch, Senior Manager for Homeownership; Cassie Arnaud, Senior Manager for Housing Development; Janet Haines, Housing Planner; Christine Yu, Associate Housing Development Planner; Alex Bob, Housing Planner

Others Present: Councillor Zusy, Jarvis Tyner, Jean Hannon, Lara Plaskon, Tess Hoffman, Keisha Greaves, Daniel Sibor, Tim Rowe

The meeting was called to order at 4:01 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust is being held in a hybrid fashion pursuant to applicable requirements, and that all votes would be taken by roll call. He then confirmed via roll call that each remote participant could hear the meeting and was audible to others.

Prior to beginning the meeting, Mr. Cotter introduced Alex Bob, the newest member in the Housing Department, and the Trustees introduced themselves.

MEETING MINUTES

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Chair Huang), it was voted to approve the minutes for the meeting of June 26, 2025.

Prior to moving on to the Housing Department updates, Mr. Cotter noted that the Trust received a public comment, which was shared with the other Trust materials.

HOUSING DEPARTMENT UPDATE

HomeBridge Program: There are currently 10 active buyers in this program looking for a home. One unit has been sold since the last Trust meeting, and two units are under agreement.

Resale Program: There are three units under agreement.

Vail Court: The lawsuit related to Vail Court is heading towards settlement. More details on next steps will be provided at an upcoming meeting.

In response to a question regarding whether context can be provided to the Trust since the situation of Vail Court predated many Trustees, Mr. Cotter replied that staff will provide a summary for Trustees as part of the discussion of next steps.

State Funding: EOHLC announced new funding awards today which included state funds for the Walden Square II development. This is a significant step. Staff are waiting to hear about the specifics of funds that were awarded to this development.

37 Brookline Street/240 Broadway: Just A Start is combining the two sites together into one single scattered site project in order to make it more financially feasible. Broadway Park had its first AHO meeting on July 24th. Staff will bring a funding request related to the project to the Trust in September.

52 New Street: The marketing process for its 106-unit affordable development at 52 New Street in Cambridge continues. Applications are now available and are due on August 28th, with a lottery to be held on September 16th. Construction is expected to wrap up in December 2025.

Jefferson Park Federal: Staff are in discussions with the Cambridge Housing Authority (CHA) about the financing closing of phase 2 of Jefferson Park Federal. The closing is expected to close by mid-August.

28-30 Wendell: Homeowners Rehab, Inc. is bringing their 28-30 Wendell Street project to the Planning Board on August 5th for the first of two required Planning Board Advisory Design Review meetings.

OTHER UPDATES

Community Preservation Act (CPA): The FY26 process to determine allocations of FY26 CPA funds is underway. The Community Preservation Committee held its first public meetings on potential CPA projects for FY26 on July 28th. A second meeting will be held on August 20th to hear comments on the allocation of CPA funds for FY26.

Affordable Housing Overlay (AHO): The FY25 AHO annual report was finalized and will be shared with the City Council at their August meeting. Staff will send this report to the Trust once it is available.

NEW BUSINESS

35 Cherry Street Conveyance Request

Mr. Cotter presented a request for the Trust to authorize the City Manager to execute any and all documents needed to convey the 35 Cherry Street property to JAS, or its fully controlled affiliate, so that JAS can move ahead with construction of new affordable homeownership units. Staff are working with Just A Start (JAS) to close on construction funding in early fall, and are preparing documents that will be needed to transfer the ownership of the property to JAS before starting construction of 10 new affordable homeownership units on the site. JAS was selected by the Trust to develop site under an RFP.

Upon a motion moved, seconded, and approved by roll call of eight in favor and one abstained (Mr. Stockard), it was:

VOTED: to authorize the City Manager to execute any and all documents needed to convey the 35 Cherry Street property to JAS, or its fully controlled affiliate, in its current condition, as detailed in the memo provided.

Inclusionary Housing and New Development Strategies

Mr. Cotter informed the Trust that the City Council has requested that the City review current barriers to new housing production and to develop new strategies to assist in making residential development more feasible in the current economic climate. New market-rate development creates new affordable units through the City's inclusionary housing requirements. Existing barriers to new building include macroeconomic factors such as high construction costs, high interest rates, and continued economic uncertainty. He reviewed a number of the strategies that staff have initially discussed with the City Council and which staff are continuing to analyze in more detail. These include providing tax incentives for new development, providing funding assistance for inclusionary housing units, a revolving loan or equity fund for new residential development, and reducing or waiving building permit fees. Staff are also working to prepare zoning amendments which could also make development more feasible in areas of the city.

One of the proposed approaches to stimulate housing production is to consider the use of Trust funding to subsidize new inclusionary housing units. Staff have included a list of questions in the written material to help guide the conversation, as well as some initial estimates of how much Trust funding might be needed to fund inclusionary units in current new market-rate developments where a path forward is not clear.

Trustees provided their initial thoughts on the matter, many of them expressing deep concerns over funding inclusionary housing units with Trust funds. Some Trustees commented that it is not the responsibility of the Trust to fund the financial gap that developers need to fulfill inclusionary requirements. Any funds used to inclusionary housing units would represent a loss of funding for 100% affordable housing developments.

Trustees also discussed the need to have more data and conversations before any decision can be made given the complexity of the situation in the current economic climate. Any policy change could have significant lasting negative impacts on affordable housing development. Ms. Schlesinger urged people to remain patient as they gather more information, complete the new inclusionary study, and see if the market changes in the near future. If interest rates drop somewhat, that could drastically change the dynamic.

Several Trustees also noted that they hoped that the City Council would not reduce the inclusionary housing requirements in the Zoning Ordinance as some have advocated. They noted that it was a long process to set the current requirements and that if they are reduced, it would be unlikely that they would be raised even when the market recovers.

In response to the Trustees' concerns, Chair Huang provided additional context to the discussion. He commented that when the housing market is healthy, developers are able to figure it out financially when there is enough profit to build inclusionary units. The challenge is that the economy is so unpredictable right now and building 20% inclusionary adds to that challenge. This has resulted in a decline in market-rate housing development, which means less inclusionary affordable units. Chair Huang noted that if the City wants to see movement in the development market, it is worth exploring whether there are some policies the City can employ for a temporary time.

Trustees were curious to know what other surrounding towns, such as Boston or Somerville, are doing as this problem is not unique to Cambridge. They expressed the need to have more discussion with developers. Mr. Cotter mentioned that the City has been in conversations with developers as well as other communities. Additionally, staff are working on the next inclusionary nexus study that will have the information that the Trustees are asking for. Mr. Freeman noted that other towns, such as Baltimore, are funding inclusionary housing units, so there is precedent for the City to do the same.

Trustees discussed other possible assistance, such as public equity participation and tax policies. They also talked about whether it made more sense for the City to create a line-item in the budget for inclusionary housing or support for market-rate development as opposed to taking funds out of the Trust's fund, similar to how the City funded housing vouchers instead of the Trust. They believed that funding inclusionary units could quickly deplete the Trust funds, especially as such an approach could generate new demand for Trust funding, which could make funding 100% affordable housing developments more difficult. Trustees also noted that recent legislative changes to the LIHTC program should allow more all-affordable developments to move more quickly and expected that we might see additional demand for Trust funding from these new all-affordable projects as those changes work their way into the industry.

Chair Huang agreed that regardless of what the Trust decides, it is clear that the Trust will not be able to sustain funding inclusionary housing units in the long term. He noted that the City is also considering creating a tax abatement program that would sunset after a certain period of time. He also added that the City ended up funding housing vouchers through its budget because it was identified as the most viable pathway. As to the current discussion, the Law Department would also still need to advise on whether the Trust could fund inclusionary units, but initial investigation has not uncovered issues with the approach if funding is limited to the affordable units.

Trustees discussed how developers face challenges building in Cambridge because of the number of policies and regulations they have to follow. Developers may not even look at developing here anymore because it is too risky. Chair Huang commented that building only 100% affordable housing is not going to get the City out of this housing crisis. There needs to be more supply for all tiers of household incomes and sizes, and right now, there are limited options for middle-income households. Mr. Cotter added that the City's Envision Cambridge goals include targets for both market-rate and affordable units.

Trustees acknowledged that this is a huge public policy conversation that should not be taken lightly. Ms. Schlesinger noted that the City has passed a significant number of public policy changes including landmark changes in zoning in recent years, so it is unknown what the long-term impact of those changes will be since those policies have not been in place for that long. The City has the most control over its zoning regulations, which have been relaxed making it more difficult for affordable housing

developers to purchase properties. If the City can help affordable housing developers land-bank, that would be beneficial, even if the land is undeveloped for longer than expected.

Trustees also discussed the role that the federal government is playing in this situation as they are pushing people out of their affordable homes by cutting funding for housing vouchers and various housing grants. This makes an already difficult challenge even more complex.

In response to a question about what the City Council is doing about this, Mr. Cotter replied that they are contemplating the same questions and potential solutions as the Trust. The Council is trying to make some sort of decision by the end of the year. Ms. Schlesinger urged the City Council not to rush in making any decisions or changing any policies. Ms. DeRosa requested that the Trust should have the opportunity to comment on any policies or programs that the City Council proposes.

ADJOURNMENT

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

The meeting adjourned at 5:21 p.m.

The next meeting is scheduled for September 25, 2025 at 4:00 p.m.

Meeting Materials:

- Agenda
- Minutes from the Trust's June 26, 2025 meeting
- Project Update
- 35 Cherry Street – Conveyance Memo 7.31.2025
- Inclusionary Housing and New Development Strategies Memo 7.31.2025
- New Development Challenges and Ideas – Awaiting Report 25-30 Response 6.30.2025