CITY OF CAMBRIDGE | Housing Department

Affordable Housing Trust

March 26, 2026, 4:00 p.m.
Ackermann Room, City Hall, 795 Massachusetts Avenue
Cambridge, Massachusetts

OR

Webinar Registration - Zoom

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

AGENDA

1. Review of Meeting Minutes

2. Update from the Housing Department

3. Vail Court Redevelopment: update and discussion of next steps for redevelopment of this City-owned property as affordable housing;

4. HomeBridge Funding Request: request from the Housing Department for $10,000,000 to recapitalize the HomeBridge program;

5. Homeownership Resale Fund Funding Request: request from the Housing Department for $3,000,000 to recapitalize the Homeownership Resale Fund;

6. Adjournment

Members of the public can provide written comments to the Affordable Housing Trust by email sent to affordablehousingtrustcomment@cambridgema.gov, or by delivery to the Housing Department, by 5:00 p.m. the day before the meeting.

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Visit. Cambridgema.gov/housing

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
February 26, 2026 at 4:00 p.m.
Conducted via Zoom and in person (City Hall, Ackermann Room)

Trustees Present in Person: Teresa Cardosi, Krissandra Robinson

Trustees Present via Zoom: Yi-An Huang, Chair; Raffi Freeman, Alyson Stein

Trustees Absent: Elaine DeRosa, Jim Stockard, Susan Schlesinger, Elaine Thorne

Staff Present: Melissa Peters, Assistant City Manager for Community Development; Chris Cotter, Director of Housing; Cassie Arnaud, Senior Manager for Housing Development; Janet Haines, Housing Development Planner; Alexis Turgeon, Housing Development Planner; Christine Yu, Associate Housing Development Planner

Others Present: Nahid Chowdbury, Natalie Sandoval, Sue Reinert, Eleni Macrakis

The meeting was called to order at 4:07 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.

MEETING MINUTES

Upon a motion moved, seconded, and approved by roll call of five in favor and four absent (Ms. DeRosa, Mr. Stockard, Ms. Schlesinger, and Ms. Thorne), it was voted to approve the minutes for the meeting of January 22, 2026.

HOUSING DEPARTMENT UPDATE

HomeBridge Program: There are currently 11 buyers actively looking for a home to purchase. Staff are working to bring an update to the Trust soon.

Corcoran Park: The second of two required Planning Board Advisory Design Consultations is scheduled for March 10th.

2072 Massachusetts Avenue: The second of two required Planning Board Advisory Design Consultations is scheduled for March 3rd.

240 Broadway (Broadway Park): The first and only required Planning Board Advisory Design Consultation is scheduled for March 10th.

52 New Street: The construction of 52 New Street is nearing completion and lease-up is expected to begin soon.

OTHER UPDATES

Incentive Zoning Study: Staff are continuing to review the submissions from the Request for Proposals.

Zoning Changes to Cambridge Street Corridors: The zoning amendments to the Cambridge Street corridors were adopted in January 2026.

NEW BUSINESS

28-30 Wendell Street Funding Request

Mr. Cotter presented a funding request for up to $13,000,000 in construction and permanent financing for the creation of 95 affordable rental units at 28-30 Wendell Street. This project is sponsored by Homeowners Rehab, Inc. (HRI) and is proceeding under the provisions of the Affordable Housing Overlay (AHO). The development of 28-30 Wendell Street involves the new construction of an eight-story building, with six-stories at the two front corners.

HRI plans to include a senior component at this development, whereby 40 of the units will be set aside for seniors and the remaining 55 units will be family-housing. They are also looking into potentially adding up to four permanent supportive housing (PSH) units within the senior component, depending in part on the availability of funding for any additional supportive services. This intergenerational approach will allow HRI to access more tax credit equity and vouchers, as well as lower the total development cost (TDC) per unit.

The TDC is currently estimated at $94,605,025 ($995,842 per unit or $555,790 per bedroom). Other sources include federal 4% and 9% tax credit equity, state low-income housing tax credit equity, EOHLC soft funding, deferred developer fees, and energy rebates.

In response to a question about whether the PSH units will include senior needs services, Ms. Arnaud answered that the details regarding the potential PSH units have not been fleshed out yet, but staff will share more information if if the idea for a PSH component is able to be realized. Staff continue to have conversations with about ways to increase PSH units in the city, including incorporating components in affordable housing developments.

In response to a question regarding why this project's budget is more expensive than other projects, Ms. Arnaud answered that costs at 28-30 Wendell are similar to other recent new construction efforts, particularly when reviewed on a cost per bedroom basis, and that every project has its own idiosyncrasies. In this case, acquisition per unit was on the higher side, compared to some other developments.

Trustees commended HRI's thoughtfulness in how they are increasing the number of vouchers and equity, as well as their speediness in pushing this project forward.

Upon a motion moved, seconded, and approved by roll call of five in favor and four absent (Ms. DeRosa, Mr. Stockard, Ms. Schlesinger, and Ms. Thorne), it was:

VOTED: to approve the request for up to $13,000,000 in construction and permanent funding to assist with the development of 28-30 Wendell Street, as detailed in the memo provided.

MOVE TO EXECUTIVE SESSION

Mr. Cotter indicated that the next items 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 4:25 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 five in favor and four absent (Ms. DeRosa, Mr. Stockard, Ms. Schlesinger, and Ms. Thorne), it was:

VOTED: for the meeting to go into Executive Session.

ADJOURNMENT

Upon a motion moved, seconded, and approved by roll call of five in favor and four absent (Ms. DeRosa, Mr. Stockard, Ms. Schlesinger, and Ms. Thorne), it was voted to adjourn the meeting.

The meeting adjourned at 5:16 p.m.

The next meeting is scheduled for March 26, 2026 at 4:00 p.m.

Meeting Materials:

- Agenda
- Minutes from the Trust’s January 22, 2026 meeting
- Project Update
- 28-30 Wendell Street CAHT Construction Funding Request Memo 2.26.2026

Cambridge Affordable Housing Trust

March 26, 2026

Status of Active Commitments

	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:*	14	121 scattered site units purchased by first time buyers to-date. Trust approved expanded subsidy share in August 2023. One unit under agreement.	N/A	$34,200,000	1-br: 50% sale 2-br: 60% sale 3-br: 65% sale	several, including most recent: November 2024
2.	Homeownership Resale Program	CDD	*currently active units:*	22	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers. One unit under agreement with a new buyer.	N/A	$13,000,000		December 2011
3.	Vail Court (139 Bishop Allen)	TBD	TBD	TBD	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 but that process was put on hold while the litigation was pending. Now that the litigation has been settled, planning for next steps can recommense, and will be discussed at the Trust's March meeting.	TBD	TBD	TBD	N/A
4.	2072 Mass. Ave.	Capstone Hope	74		Capstone/Hope purchased site in April 2018 and initially sought a comprehensive permit for an affordable housing development but withdrew their request at the September 2021 BZA hearing; they remain commited to creating affordable housing at this site and are proceeding under the AHO. AHO community meetings held on 10/9/24, 10/30/24 (repeat of first meeting), and 5/29/25. Planning Board Advisory Design Consultations held on 10/7/25 and 3/3/26. A request for additional Trust funding for construction will be brought to an upcoming meeting.	TBD	$5,071,000	TBD	February 2018 and June 2021
5.	52 New Street	JAS	106		JAS purchased the site in early 2020 and completed the AHO process in early 2022. Construction began in December 2023 and is underway. JAS received more than 2,000 applications and is in the process of selecting residents. Lease-up expected to begin in April 2026.	$90,359,816	$18,025,390	$170,051	October 2019, June 2021, and January 2022
6.	Broadway Park (240 Broadway)	JAS	16		In March 2021, the Trust approved funding to create 15 affordable homewnership units at this JAS-owned site. JAS began a community process with the intention of seeking a comprehensive permit for the homeownership plan but put the project on pause and is now planning to develop the site as rental housing in conjunction with 37 Brookline Street. JAS has applied for state funds for the scattered-site Broadway Park/Brookline St development. AHO community meetings held on 7/24/25, 9/18/25 (repeat of first meeting), and 11/6/25. First and only Planning Board Advisory Design Consultation held on 3/10/26.	TBD	$3,600,000	$225,000	March 2021
7.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)	CHA	278		In September 2021, the Trust approved funding to assist with the comprehensive modernization of Jefferson Park Federal. The CHA completed the AHO process in early 2022 and began construction of Phase 1 in early 2024 and began Phase 2 in August 2025.	$309,675,326	$43,611,615	$156,876	September 2021
8.	4 Mellen / 1627 Mass. Ave.	HRI	29		In January 2022, the Trust approved funding for the purchase of this property from Lesley University to create affordable housing. The Trust approved additional predevelopment funding in August 2022. HRI acquired the site in August 2022 and completed the AHO process in late 2023. State funding approved June 2024. HRI closed on construction on 5/16/25. Groundbreaking held on 6/17/25. Construction underway.	$33,034,091	$10,425,000	$359,483	Janaury 2022, August 2022, and January 2024
9.	35 Cherry Street	JAS		10	In March 2022, City Council approved the disposition of this property to the Trust for creation of affordable homeownership housing. Transfer from MIT complete. After RFP, Just A Start selected as developer in October 2023. In the June 2025 meeting, Trust approved construction and permanent financing. All financing closed 12/10/2025. Site work has begun; building permit was issued.	$8,352,000	$7,734,000	$773,400 ($475,200 permanent)	March 2022, May 2024, June 2025

10.	49 Sixth Street	POAH	46		In October 2022, the Trust approved funding to assist in the conversion of a portion of the Sacred Heart church property to affordable housing. POAH has completed the AHO process. POAH is assembling remaining financing in advance of beginning construction in 2024. Increase of Trust funds request approved 3/6/24; increase of Trust funds approved at 8/1/24 meeting. POAH closed on construction on 6/16/25. Construction underway.	$44,050,313	$11,250,000	$244,565	October 2022, March 2024, and August 2024
11.	37 Brookline Street	JAS	13		JAS acquired the site in July 2023 and held a meet and greet meeting on 4/25/24. AHO community meetings held 7/10/24 and 9/11/24. Design work is underway.	TBD	$2,064,000	TBD	March 2023
12.	650 Concord Ave	Neville Communities Inc (NCI)	71		In May 2023, the Trust approved funding to assist with capital repairs at Neville Place, the affordable assisted living portion of its campus. Increase of Trust funds request approved 3/28/24. Neville closed on the refinancing of their existing mortgage and Trust funding in February 2025. The initial capital repairs underway include the replacement of the roof and the replacement of immediate building system components, including two HVAC chillers. Initial work complete.	$5,670,500	$5,670,500	$79,866	May 2023 and March 2024
13.	28-30 Wendell Street	HRI	95		HRI purchased 30 Wendell Street from Lesley University on 11/30/23 and purchased 28 Wendell from Lesley on 6/7/24. An inital AHO meeting for the 30 Wendell site was held 2/14/24. HRI restarted the process with AHO community meetings for the combined sites held 6/20/24, 11/14/24, and 3/6/25. Planning Board Advisory Design Consultations held on 8/5/25 and 11/18/25. Trust approved funding for construction at its February 2026 meeting; HRI seeking to secure remaining financing needed to begin construction.	TBD	$17,457,000	TBD	August 2023, March 2024, and February 2025
14.	87-101 Blanchard Rd	B'nai B'rith	110		In March 2024, the Trust approved $18,169,120 in funding to BBH for the new construction of 110 affordable rental units for seniors. BBH completed the AHO process on 6/18/24. State funding awarded in February 2025. Preparation for construction closing is underway.	TBD	$18,169,120	$165,174	August 2023 and March 2024
15.	Print Shop Condominiums	Print Shop Condominiums		24	In October 2023, the Trust approved up to $3,000,000 to assist this all-affordable condominium building with building envelope repairs starting with the replacement of the roof. First phase of loan (up to $820,000) closed 11/21/24. Roof replacement complete. Predevelopment work for second phase is ongoing.	TBD	$3,000,000	TBD	October 2023
16.	102 Sherman St/Walden Square Apartments II	Winn	95		Trust approved funding for the construction of two new buildings containing 95 affordable rental units on a portion of the existing Walden Sq I site; Winn completed the AHO community process in Fall 2023 and presented the proposed to the Planning Board at the two Advisory Design Consultations on 3/12/24 and 7/2/24. Planning Board final design report issued on 8/1/2024 and accepted by Trust on 10/24/24. State funding award in July 2025. Beginning to prepare for a 2026 construction closing	$80,413,447	$18,750,000	$197,368	June 2024
17.	Rindge Commons South	JAS	77		JAS will be seeking the remaining financing needed to begin construction on the second phase of their two-phase Rindge Commons development which received a comprehensive permit in August 2020. The Trust approved funding of $9,051,615 for the second phase, Rindge Commons South, at its September 2024 meeting.	TBD	$9,051,615	$117,553	September 2024
18.	1826 & 1840 Massachusetts Avenue	JAS	TBD		Trust approved funding for JAS to purchase two parking lots from Lesley University to develop into new affordable housing, as well as some predevelopment funding. Properties were acquired 11/26/24.	TBD	$10,900,000	TBD	September 2024
19.	1, 3, 5 Frost Street & 20, 22, 28 Roseland Street/ Frost Terrace II	Capstone Hope Zahler	TBD		Trust approved funding for the development team behind Frost Terrace I Apartments to purchase six sites in Porter Square to develop a second affordable housing development, Frost Terrace II Apartments, as well as some predevelopment funding. Properties were acquired 12/13/24.	TBD	$19,839,500	TBD	September 2024
20.	12-14 Laurel Street	JAS		4	Trust approved funding to assist with predevelopment activites related to the development of 12-14 Laurel Street. First AHO meeting held on 9/11/25. Predevelopment funding closed 1/12/26.	TBD	$125,000	$31,250	June 2025

21.	31-37 Mellen Street	CHA	TBD		Trust approved funding to assist with acquisition of 31-37 Mellen Street. Properties were acquired on 12/31/25.	TBD	$9,800,000	TBD	September 2025
21.	Corcoran Park - Phase 1	CHA	67		Trust approved funding to assist with the construction of 67 rental units in this first phase. The CHA held AHO community meetings on 2/13/25 and 10/9/25. Planning Board Advisory Design Consultations held on 12/16/25 and 3/10/26.	TBD	$14,405,000	$215,000	September 2025
22.	(confidential until purchased)	CHA	TBD		Trust approved funding to assist with acquisition of new site.	TBD			December 2025
22.	(confidential until purchased)	CHA	TBD		Trust approved funding to assist with acquisition of new site.	TBD			December 2025
23.	(confidential until purchased)	CHA	TBD		Trust approved funding to assist with acquisition of new site.	TBD			January 2026
24.	(confidential until purchased)	HRI	TBD		Trust approved funding to assist with acquisition of new site.	TBD			February 2026
			1,151		**Total Units**				

Cambridge Affordable Housing Trust

Status of Active Affordable Housing Overlay (AHO) Developments

	AHO Development	Developer	AHO Status & Activity	Rental Units	Ownership Units	Development Status
1.	52 New Street	Just-A-Start Corporation	AHO Community meetings held on 2/25/21, 3/25/21, and 4/15/21. Planning Board Advisory Design Consultations held on 10/26/21 and 1/4/22. Final Planning Board report issued 1/20/22 and was transmitted to the Trust on 1/27/22.	106		AHO Process Complete; see above
2.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)	Cambridge Housing Authority	AHO Community meetings held on 3/2/21, 4/1/21, and 10/19/21. Planning Board Advisory Design Consulations held 11/9/21 and 2/15/22. Final Planning Board report issued 3/9/22 and transmitted to the Trust on 3/24/22.	278		AHO Process Complete; see above
3.	Walden Square II (102 Sherman Street)	WinnDevelopment Companie	AHO Community meetings held on 3/23/21, 4/13/21 and 5/27/21. Submission for first Planning Board Advisory Design Consultation was withdrawn by developer on 11/16/21. Design revised based on community comments. Community meetings held 2/23/22, 8/29/23 (rescheduled from 8/1/23) and 9/14/23. Planning Board Advisory Design Consultations held 3/12/24 and 7/2/24. Final Planning Board report issued 7/24/23 transmitted to the Trust on 8/1/24.	95		AHO Process Complete; see above
4.	49 6th Street	POAH & Urban Spaces	AHO Community meetings held on 7/27/21 and 11/3/21. Planning Board Advisory Design Consultations held 4/5/22 and 6/28/22. Planning Board report issued 7/14/22 and transmitted to the Trust on 8/4/2022.	46		AHO Process Complete; see above
6.	1627 Mass. Ave./4 Mellen	Homeowner's Rehab Inc	AHO community meetings held 9/15/22 and 3/15/23. Planning Board Advisory Design Consultations held 7/18/23 and 12/5/23. Final Planning Board report issued 12/20/23 and transmitted to the Trust on 1/25/2024.	29		AHO Process Complete; see above
7.	87-101 Blanchard Road	B'nai Brith Housing	AHO community meetings held 10/4/23 and 11/10/23. Planning Board Advisory Design Consultations held 1/23/24 and 6/4/24. Final Planning Board report issued 6/18/24 and transmitted to the Trust on 6/27/24.	110		AHO Process Complete; see above
8.	28-30 Wendell Street	Homeowner's Rehab Inc	First AHO community meeting held 2/14/24. HRI restarted the AHO community meeting to include 28 Wendell Street. AHO community meetings for combined sites held 6/20/24, 11/14/24, and 3/6/25. Planning Board Advisory Design Consultations held on 8/5/25 and 11/18/25. Final Planning Board report issued 12/11/25 and transmitted to the Trust on 1/22/26.	95		AHO Process Complete; see above
9.	35 Cherry Street	Just-A-Start Corporation	AHO community meetings held 5/15/24, 6/26/24, and 8/21/24.		10	AHO Process Complete; see above
10.	37 Brookline Street	Just-A-Start Corporation	AHO community meetings held 7/24/24 and 9/11/24.	13		AHO Process Complete; see above

11.	2072 Massachusetts Avenue	Capstone Communities	AHO community meetings held on 10/9/24, 10/30/24 (repeat of first meeting), and 5/29/25. Planning Board Advisory Design Consultations held on 10/7/25 and 3/3/26.	74		Design Consultation Underway
12.	Corcoran Park	Cambridge Housing Authority	AHO community meetings held on 2/13/25 and 10/9/25. Planning Board Advisory Design Consultations held on 12/16/25 and 3/10/26.	TBD		AHO community meetings underway
13.	71 Cherry Street	Cambridge Redevelopment Authority	First AHO community meeting held on 2/19/25.	TBD		AHO community meetings underway
14.	Broadway Park	Just-A-Start Corporation	AHO community meetings held on 7/24/25 and 11/6/25. First and only Planing Board Advisory Design Consultation held on 3/10/26.	16		AHO community meetings underway
15.	12-14 Laurel Street	Just-A-Start Corporation	First AHO community meeting held on 9/11/25.	4		AHO community meetings underway
				876		**Total Units**

Status of Active Inclusionary Housing Developments

	Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded 7/23/21. Building permit issued 3/2/21. Tenant selection underway.	48		All units are affordable
2.	121 Broadway	Boston Properties (BXP)	Covenant recorded 12/28/23. Building permit issued 3/21/24. Under construction.	102		MXD zoning - 20% Inclusionary + 5% Middle-Income
3.	8 Winter Street	S. Jafry	Covenant recorded 7/18/2024. Building permit issued. New ownership; reviewing application to amend building permit.	3		11.203 @ 20% of floor area
			Under Development:	**153**	**0**	
			Completed Units:	**1,231**	**215**	
			All Units:	**1,384**	**215**	
				1,599		

	Active Pipeline Projects	Developer	Status	Affordable Units	Market Units	Applicable zoning
1.	75 First Street	Urban Spaces	IHP plan approved; preparing AHC	16	90	11.203 @ 20% of floor area
2.	34 Wendell	ZRE	IHP plan approved; preparing AHC	8	43	11.203 @ 20% of floor area
3.	75 First Street	Rothman	IHP plan approved; preparing AHC	2	12	11.203 @ 20% of floor area
Current subsidy amount needed to create Affordable Dwelling Unit Net Floor Area for Inclusionary Housing not created pursuant to Section 11.203.3 (i):				$534 / per square foot		last update: 1/23/2025

Incentive Zoning Contributions - FY2026

	Development	Contribution Amount	Rate	
1.	3 Alewife Park	$216,710	$ 33.34	balance after exempted GFA
2.	125 Cambridge Park Drive	$1,292,292	$ 33.34	
		$1,509,002	**Total FY2026**	
		$17,751,365	**Total FY2025**	
Current Incentive Zoning Housing Contribution Rate pursuant to Section 11.202 (b):		$36.36 / per square foot		last update: 5/2/2025

MEMORANDUM

To:	**Affordable Housing Trust**
From:	**Chris Cotter, Director of Housing**
	Cassie Arnaud, Senior Manager for Housing Development
Date:	**March 26, 2026**
RE:	**Redevelopment of 139 Bishop Allen Drive (Vail Court)**

At the Trust's October 2025 meeting, we provided an update on the status of 139 Bishop Allen Drive, familiarly known as Vail Court, which is currently owned by the City, but will be transferred to the Trust's control for redevelopment as affordable housing.

To briefly recap, after eight years of litigation, a settlement was reached with the former owners in 2025 allowing the City and Trust to restart the process of advancing plans to redevelop the site as affordable housing. The City Council voted to take the site by eminent domain in September 2016. Several months later, following a public meeting to solicit ideas for future uses, the City Council voted to approve the transfer of the site to the Trust for affordable housing. In July 2017, the City and Trust hosted an initial public meeting to introduce the Trust, share information on the anticipated process, and hear from the community. At the time, it was anticipated that the City and Trust would hold a second public meeting shortly thereafter, in advance of issuing of a Request for Qualifications (RFQ) to identify and select an affordable housing developer for Vail Court. However, the entire process was put on hold while the litigation was pending. Now that the legal issues are resolved, the process can recommence.

Overview of the Site

At the meeting in October, the Trust began a discussion of next steps for Vail Court and asked staff to provide some more information on what can now be built at the site, particularly given the intervening changes to zoning since 2017, including advent of the Affordable Housing Overlay (AHO).

It is likely that any affordable housing created at Vail Court will be developed under the AHO. The AHO zoning provisions require 100% of the housing in an AHO development to be permanently affordable at specific income thresholds. For rental AHO projects, at least 80% of the units must be affordable to households earning at or below 80% AMI, with the ability for the remaining 20% to restricted to up to 100% AMI. For an AHO homeownership development, at least half of the units must be affordable to household at or below 80% AMI, with ability for the remaining balance to be restricted at or below 100% AMI.

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In terms of what can be built on the site, the disposition language regarding the transfer of the site to the Trust sets parameters on the site's future use, but the primary determining factor is what is allowed by zoning. The Vail Court site, located a block off of Massachusetts Avenue between Prospect and Inman Streets, is roughly 28,200 square feet and is located in the Residential C-1 District. The parcel falls just outside of the Central Square Overlay but is considered an 'AHO Corridor Lot' due to its location on Bishop Allen Drive, one of the AHO Corridors.

As an AHO Corridor Lot, an AHO development at Vail Court would be allowed to be built as high as twelve stories. An AHO development would be subject to a 5' foot rear setback but there would be no side or front yard setback requirements. An AHO project would also be subject to a 30% open space requirement, of which at least half would need to be provided at-grade. There is no zoning-based limit to the number of units which can be built at the site as Cambridge's zoning provisions no longer set limitations on density for new multi-family housing (e.g. there are no longer any 'floor area ratio (FAR)' or 'lot area per dwelling unit' requirements).

AHO projects located in zoning districts which allow non-residential uses as of right may include those uses on the ground floor. In the case of Vail Court, only very limited non-residential uses are allowed by zoning as of right in the Res C-1 district and many uses such as restaurants, bakeries and most retail are not allowed even by Special Permit. Given the zoning as well as the realities of financing mixed-use affordable housing developments, it is anticipated that any non-residential space at Vail Court would most likely be designed and intended to serve the building's residents, such as a community room or other related amenity space.

In addition to asking what can now be built on the site, the Trust was also curious about the condition of the site and whether any environmental testing had been done. The City has not undertaken environmental testing on the site itself (the City did demolish the existing buildings). It is assumed that the selected developer will engage those studies as part of their standard due diligence process.

Next Steps: Community Engagement + Developer Selection

Developer Selection

A Request For Qualifications (RFQ) process to seek and select an affordable housing developer remains the recommended process to select an affordable housing developer. Alternatively a Request for Proposals (RFP) could be issued which would involve the Trust selecting a developer by reviewing and selecting actual development proposals.

An RFQ that does not set specific parameters regarding the program or design of the affordable housing would allow for decisions regarding affordability mix, unit sizes, site and building design to be made once a development team is selected. This was the plan in 2017 and remains the recommended approach, particularly given the AHO which has established a successful pattern for moving affordable development designs forward. This approach allows the designated affordable housing developer to put together a design and development plan balancing many considerations faced by affordable housing developers in Cambridge including maximizing the amount of affordable housing, development financial feasibility and the many other City goals and requirements around sustainability, environmental resilience, site and urban design considerations.

In addition to deciding if there should be building and site design parameters in the RFQ, staff would also like guidance from the Trust on whether establishing what type of affordable housing should be developed at the site, or if those decisions would be best considered once a developer is selected. For instance, if there is a set preference for specific income targets, tenure type, or population to be served, the RFQ could be prepared to encourage responses from developers with experience creating that type of affordable housing.

Community Engagement

Finally, as we think about the approach to moving the redevelopment forward, we would like to discuss with the Trust the community engagement process to conduct in advance of developing and issuing the RFQ. Given the amount of time which has passed since the last public update on Vail Court, staff recommend that the City and Trust host at least one public meeting to reintroduce the Trust, the Vail Court site and planned redevelopment process to the community.

The content of that community meeting could be very similar to the initial meeting held in 2017. The meeting could include an overview of the Trust including examples of recent Trust-funded developments, as well as an overview of the Vail Court site and the anticipated development process including the AHO review process. The meeting could also include a listening session component where members of the public could share ideas and questions for the Trust to consider ahead of developing the RFQ and selecting an affordable housing developer for the site.

The RFQ will require information on potential developers' qualifications including their track record developing and operating high-quality, well-designed affordable housing, their financial capacity and development team experience, and their track record and capacity in conducting robust and successful community engagement processes. It would also be helpful to hear from the community whether there are any additional types of qualifications to consider as the RFQ is prepared. The listening session could also be an opportunity for the public to share ideas for what type of housing should be encouraged to be built at the site, particularly if the Trust is interested in identifying specific affordable housing uses in the RFQ.

Given the Trust's interest in moving things forward as expeditiously as possible, we suggest that we plan to host this public meeting in early May to allow time for staff to synthesize community input we hear before the Trust's May 28th meeting at which we could revisit the next steps for the Vail Court redevelopment. Following the discussion at the Trust's May meeting, staff could then begin to work to prepare a draft RFQ, and taking into consideration input received from both the community and the Trust. The goal could be to issue the RFQ in the late summer so that a developer could be selected sometime in the fall.

CITY OF CAMBRIDGE | Housing Department

MEMORANDUM

To: **Affordable Housing Trust**
From: **Christopher Cotter, Housing Director**
Anna Dolmatch, Senior Manager for Homeownership
Date: **March 26, 2026**
RE: **Homeownership Resale Fund Recapitalization Request**

We are requesting a commitment of $3,000,000 to increase the balance of the Homeownership Resale Fund (the "Fund"). These funds are needed to continue to fund the repurchase units by a designee and fund rehab work and holding costs while the unit is prepared for sale to a new buyer, and in some cases, re-subsidize the affordable price.

Since 2006, the Affordable Housing Trust has allocated a total of $13,000,000 to the Resale Fund. The Fund revolves and sinks by providing temporary loans for the repurchase of affordable units, as well as permanent subsidy for necessary rehab work and price reduction to keep units affordable. The Resale Fund revolves through repayment (or partial repayment) when units are sold. Since 2006, the City has exercised the repurchase right on almost 200 units.

Several factors are creating both short-term cash flow challenges and increasing the rate that the Fund sinks, permanently reducing the Fund balance. As we have previously discussed, the change to the resale formula has increased repurchase prices for units now being sold by current homeowners. This is particularly pronounced with HomeBridge units which typically have a higher initial affordable value.

Since sellers have had the option to use the new pricing formula, the repurchase price for all types of units has increased by an average of $80,000 per unit. For HomeBridge units, which typically have higher initial affordable prices, repurchase prices since the formula change have increased more than $100,000 and now average almost $400,000. This is based on a very small sample size; however, both HomeBridge and the inclusionary housing are calibrated to produce more middle-income units, so we expect this trend to continue.

Rehab costs continue to be high, and we continue to see a number of units with large rehab needs. As the affordable homeownership program matures, we are more frequently seeing units that have been owned for decades and have significant deferred maintenance or were purchased by homebuyers without rehab being completed before purchase. Many of these units were originally created with very small amounts of public funding, so this large investment is worthwhile as we preserve units and create quality housing for less than the

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subsidy costs for new units. However, these investments permanently reduces the remaining balance of the Fund.

Approximately $4,400,000 has been permanently reinvested in the homeownership stock, leaving a revolving balance of approximately $8,600,000. Prior to 2024, the average net new subsidy for resale units was $15,000, going back to 2006. Since 2024, that average for all units has increased to more than $28,000 per unit in net subsidy. The last ten units completed and sold had average new subsidy amounts of almost $100,000 per unit.

We continue to look for ways to preserve the fund, reduce costs and preserve capacity, including not exercising the City's purchase option for every unit, but there are many situations where we use the purchase to support program priorities including cases to preserve or deepen affordability and for larger family-sized units that rarely become available. When the City declines the purchase right, we do not control buyer selection but we do always ensure that new buyers are income eligible.

In addition to increasing costs, several units continue to be held for a variety of reasons, including larger building issues. There are currently eleven units held by JAS pending resolution of these issues; we anticipate that at least 3 of these units will be marketed in 2026. However, the schedule of the Print Shop renovation project will impact the timing for the majority of these units. The future sales of these units will return a significant portion of the costs to the Resale Fund.

The Resale Pool is one of the main ways that we are able to offer homebuying opportunities to low- and moderate-income residents. We have a robust pipeline of current buyers ready to purchase when units are available. Without additional funding, we will be more constrained on when we can exercise the City's purchase right on these units when current owners decide to sell. This would not impact the affordability of most units; homeowners would be required to find an income-eligible buyer and sell for no more than the affordable price under the restriction. However, when the City does not select the buyer, there are no provisions for preference for Cambridge residents or for families with children for larger units.

The requested $3,000,000 recapitalization for the Resale Fund will ensure we can continue to manage the program in line with Trust and City priorities. These additional funds will support our efforts to preserve the affordable homeownership stock, maintain affordability, and continue to offer units to waiting buyers in the Resale Pool.

RECOMMENDATION:

We recommend that the Affordable Housing Trust approve the request of $3,000,000 to recapitalize the Homeownership Resale Fund to address the ongoing need to purchase and maintain the condition and affordability of the existing affordable homeownership stock. Proceeds from the unit sales will return to the Fund.

The funds should be made contingent on the following:

1. Housing staff approval of unit renovation budgets;
2. Housing staff approval of renovation plans and specifications;
3. Selection of new homebuyers from the Homeownership Resale Pool.

CITY OF CAMBRIDGE | Housing Department

MEMORANDUM

To:	**Affordable Housing Trust**
From:	**Chris Cotter, Housing Director**
	Anna Dolmatch, Senior Manager for Homeownership
Date:	**March 26, 2026**
RE:	**HomeBridge Program Request for Program Modification and Recapitalization**

The HomeBridge program provides financial assistance for eligible applicants to purchase homes on the open market. In exchange for this assistance, buyers sign an Affordable Housing Covenant and purchased homes become part of the permanently affordable stock. Since the initial launch as the Financial Assistance Program (FAP), 121 affordable units have been created.

In November 2023, the Trust approved changes to increase the percentage of the market purchase price eligible to be funded by HomeBridge subsidy. Since that time, demand for HomeBridge has remained strong, with more applications submitted than the Resale Pool. 2024 saw the third-highest number of purchases in program history; 2025 broke the record, with 16 purchases during the calendar year.

As the program expands, we are continually evaluating the policies and requirements to ensure that HomeBridge is effective at providing affordable homeownership opportunities for residents while using limited public subsidy funds responsibly. At this time, we would like to propose options for program changes for the Trust to consider.

Since 2006, HomeBridge has received $31.2MM in CPA funds to serve households with incomes at or below 100% AMI. Since 2020, an additional $10MM has been allocated from budget funds to expand HomeBridge to serve households with incomes between 100% and 120% AMI. While we continue to see some demand above 100% AMI, the large increases in area median income in recent years mean that most buyers are now under 100%.

The funds for the under-100% AMI tier have $1.1MM remaining that is not yet committed to units under agreement, with an additional $4.5MM estimated for buyers who have been approved but have not yet found a unit to purchase. We are currently reviewing an additional 14 applicants.

The Trust committed an additional $10MM in November 2024; these funds are now almost fully expended. If usage continues at this rate, HomeBridge will continue to require similar recapitalizations every 18 months or so. The average funding per unit is currently more than $500,000, and more than $233,000 per bedroom.

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In addition to rapid expenditures, high demand and low market inventory has led to approved buyers bidding on the same units, especially three-bedrooms. This is increasing overall costs and we have seen anecdotal evidence that HomeBridge could be driving the market, rather than responding to the market, for certain types of units, resulting in higher costs for buyers and the program.

We are also seeing increasing stress on the review and approval process with approvals taking longer given the high volume of applicants. HomeBridge applications are much more complex than applications for other programs because the approval is customized for each specific case. While we are continuing to improve the application process, the large number of applicants and buyers is straining the ability to provide a timely approval, and once approved, to review offers and units. We want to ensure that staff capacity is being used effectively.

In response to the current program environment, demand from applicants, and market conditions, we have considered and are proposing for discussion several options for strategic changes to HomeBridge to better align the program with the priorities and goals of the Trust:

1. **Remove eligibility for non-Cambridge residents:** In 2015, the Trust approved an expansion of program eligibility to include households that work in Cambridge. At the time, the change was made in part to increase program production when an average of 2 units per year were being produced. Since that time, approximately 10% of buyers have been non-residents. However, we are now seeing a marked increase in applications from this group, with 25% of current applications in this category. Unlike other City housing programs, there are not preference tiers among approved applicants, so non-residents may get access to funds and units ahead of residents. We recommend that the program revert back to requiring current Cambridge residency, defined as living in Cambridge at the time of application to ensure resources are available for resident homebuyers.

2. **Make eligibility more need-based:** In recent years, the area median income has increased, and we are now seeing more applicants with higher incomes and significant cash resources. These buyers may have market options but may choose to use HomeBridge to purchase a higher-price unit or have a lower payment. We have developed several recommendations to make the program more needs-based and address some longer-term concerns with these purchases.

   A. **Eliminate purchases with a high initial value:** In the past year we have seen a developing issue with higher-income, higher asset buyers with very high affordable purchase prices. Most of these buyers are in the over-100% AMI bracket, but not all. The affordable price for each buyer is determined by the combination of the applicant's minimum required mortgage amount (based on the required HomeBridge payment ratio; see below) and asset contribution before any HomeBridge subsidy. As income limits have increased, we are seeing more of these applicants. While they are eligible under the current program parameters, purchases at these high amounts raise multiple concerns.

While these buyers require less HomeBridge subsidy to purchase, reducing the amount of program funds needed up front, these units carry a future risk for the program. We have seen some previous sales and an increasing number of recent approvals with an affordable price of more than $600,000. The costs are affordable to the buyer because they are required to make a significant asset contribution. However, at resale, the price for the next buyer must be affordable with the program's standard 3% down payment. In addition, the 2.5% resale formula raises the value of these higher-cost units substantially.

As we plan for future funding needs, we anticipate that these units will require a substantial additional funding investment to make them affordable through the Resale Pool. Given the finite resources for affordable housing and demands on the Resale Fund to preserve the stock of affordable homes over time, the use of funds to further subsidize the return on units purchased by a higher-income household to make them affordable upon resale may not be a priority. If funds were not available to write the prices down at resale, even with the current maximum price cap, units may be unaffordable for all but the highest-income eligible buyers.

We recommend setting a maximum affordable price for HomeBridge purchases at 120% of the affordable price based on a purchase at the maximum program market price, less the full HomeBridge subsidy. These limits would currently be:

- One bedroom $401,400
- Two bedroom $417,600
- Three bedroom $462,000

B. **Require higher minimum housing payments:** The current HomeBridge program design allows buyers to have a housing payment between 25% and 33% of their gross monthly income. This was adopted to allow households some flexibility in housing costs; for example, a household with high childcare or student loan costs could target a purchase on the lower end, while another household could choose to stretch to purchase at a higher price.

In practice, lower-resourced homebuyers almost always need the highest housing payment to qualify for the maximum market price. In contrast, higher income and asset households more often pay only the minimum required to qualify for the same price, using HomeBridge subsidy to give them more disposable income.

We recommend raising the minimum required housing payment to 30% of gross monthly income for housing.

3. **Set minimum purchase price requirements:** HomeBridge is currently open to households earning a minimum of 60% AMI. The program was initially created to target households between 80% and 100% AMI, who had fewer options through the Resale Pool and lottery

offerings of new construction homeownership, but the program has always worked for some lower-income households. Under the current subsidy ratios, around 22% of buyers earn less than 80%, with less than 10% under 70% AMI.

However, we frequently see applicants who are within the minimum income and asset requirements who are approved with a maximum market purchase price that is not feasible in the current market. Prior to issuing an approval letter, Housing staff meet with these households and explain that it will be difficult to make the program work with their numbers, and steps they can take to get into a stronger position for the future, as well as other homeownership options that will be more affordable, such as lotteries and the Resale Pool. However, many of these households want to move forward with an approval even if it unlikely they will be able to purchase with HomeBridge assistance. This results in funds tied up in commitments that are not going to be used, leaving applicants frustrated that they cannot find a home that meets their needs and HomeBridge guidelines.
We recommend adding a requirement that applicants must be able to qualify to purchase a unit at no less than 90% of the current program maximum market price to be eligible.

4. **Approval time limits:** Currently, HomeBridge approvals have an initial four-month term. Approved applicants can recertify before the end of that term and receive a two-month extension. There are households who recertify and reapply repeatedly, resulting in multi-year HomeBridge approvals. While there are times of year when the real estate market is very quiet, repeat HomeBridge applicants are typically looking for a housing option that the program and the Cambridge housing market cannot provide, such as a single-family home.

   These repeat approvals allow applicants to hold the HomeBridge funding commitments without having to take any steps towards using the approval. To ensure that funds are serving households who are likely to use them to create an affordable unit, we recommend the following:

   - Maintain the initial four-month approval term;
   - Approved applicants may apply for one recertification for an additional four-month term extension;
   - After the end of the extended term, applicants must wait twelve months before submitting a full new application;
   - Applicants who have a unit under agreement prior to the end of the extended term, but have not completed the purchase, remain eligible for an additional extension to complete the purchase of the unit under agreement.

5. **Asset contribution requirement:** Currently, HomeBridge requires buyers to contribute all their liquid assets of more than $40,000, with a limit of $80,000 for households where all adult members are over 62 or disabled. This number has not changed since 2011. We recommend raising the liquid asset limit to $50,000, or $100,000 for households where all adult members are over 62 or disabled. This will give buyers the ability to maintain stronger cash reserves after paying closing costs and moving expenses.

Recapitalization

In addition to the above policy changes, we are requesting an additional $10,000,000 in funds to recapitalize the HomeBridge program for households earning up to 100% AMI. At the current average of approximately $500,000 per unit, we estimate this will serve around 20 additional buyers.

Recommendations:

We recommend that the Trust approve the following changes and funding request for the HomeBridge program as described above:

1. Limit eligibility for HomeBridge to current Cambridge residents, defined as having their only permanent residence in Cambridge at the time of application and when receiving funding; and
2. Require that the maximum HomeBridge affordable purchase price is no more than 120% of the affordable price at the maximum HomeBridge subsidy and market purchase price for that unit size (by bedroom) at the time of application. Applicants whose minimum affordable purchase price exceeds that number will not be eligible for HomeBridge funding; and
3. Increase the minimum required housing payment to 30% of gross household income; and
4. Require that applicants must qualify for a minimum market purchase price (funded by buyer mortgage, asset contribution, and HomeBridge subsidy) of at least 90% of the current maximum HomeBridge purchase price for the unit size (by bedroom) they are eligible for. Applicants who do not meet this minimum market purchase price will not be eligible for HomeBridge funding; and
5. Limit HomeBridge approvals to an initial four-month period with the option to extend for another four months, after which there is a twelve-month waiting period before another application can be submitted, with a limited additional extension available only to buyers with units subject to purchase contracts executed prior to the expiration of the approval period, if acceptable to staff; and
6. Increase the liquid asset retention threshold to $50,000, or $100,000 for households where all adult members are over 62 or disabled; and
7. Allocate $10,000,000 in funding to recapitalize the HomeBridge program for households earning up to 100% of AMI.