CITY OF CAMBRIDGE | Housing Department

Affordable Housing Trust & Community Preservation Committee

July 23, 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. Meeting with Members of the Community Preservation Committee: discussion of the work of the Trust and the use of Community Preservation Act funds between members of the Affordable Housing Trust and of the Community Preservation Committee;

4. Inman Square Apartments and CAST I & II: request from Homeowners Rehab Inc. for $4,244,897 to assist with the rehabilitation of Inman Square Apartments and CAST I & II;

5. 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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CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
June 25, 2026 at 4:00 p.m.
Conducted via Zoom and in person (City Hall, Ackermann Room)

Trustees Present in Person: Teresa Cardosi, Elaine DeRosa, Krissandra Robinson

Trustees Present via Zoom: Yi-An Huang, Chair; Alyson Stein, Jim Stockard

Trustees Absent: Raffi Freeman, Susan Schlesinger, Elaine Thorne

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

Others Present: Jean Hannon, Sue Reinert, Ed Henley

The meeting was called to order at 4:05 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 noted that there will 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, seconded, and approved by roll call of five in favor and four absent (Mr. Freeman, Ms. Schlesinger, Mr. Stockard, and Ms. Thorne), it was voted to approve the minutes for the meeting of May 28, 2026.

HOUSING DEPARTMENT UPDATE

52 New Street: JAS held a ribbon cutting on June 8 to celebrate the opening of the building. Residents have already begun to move in.

4 Mellen Street: HRI continues to accept applications for its 29 units at 4 Mellen Street. Applications will be accepted until July 31st at 5 p.m.

Jefferson Park Federal: The construction of Jefferson Park Federal is nearing completion.

87-101 Blanchard Road: The demolition of the existing buildings is underway with construction to follow shortly.

1826 & 1840 Massachusetts Avenue: Just A Start (JAS) is preparing to begin the AHO process for this project soon.

1648 & 1654 Massachusetts Avenue: 1648 & 1654 Massachusetts Avenue was purchased by the Cambridge Housing Authority (CHA) in May 2026 with Trust funding.

729-755 Concord Avenue: 729-755 Concord Avenue was purchased by Homeowners Rehab, Inc. (HRI) in early June with Trust funding.

OTHER BUSINESS:

Community Preservation Act (CPA) Funds: The FY27 funding allocation process for CPA funds is underway. Teresa Cardosi was appointed to the Community Preservation Committee. Staff are planning for the July meeting to be a joint meeting with the Community Preservation Committee.

Social Housing Task Force: The Cambridge Social Housing Joint Task Force held its first meeting on June 24 to begin to explore how social housing models might work in Cambridge to create new housing including affordable housing. The Task Force will consider finance and governance models in use in social housing programs in other cities. The next meeting will be held August 5.

Brown et al. Zoning Petition: A zoning petition was filed in June that would make amendments to the Multi-Family Zoning, as well as changes to the Affordable Housing Overlay Zoning. Public hearings are expected to be scheduled in July at the Planning Board and Ordinance Committee.

NEW BUSINESS

Affordable Housing Overlay (AHO) Five-Year Progress Report

Mr. Cotter presented the AHO Five-Year Progress Review, which assessed the effectiveness of the AHO in increasing production of affordable housing in its first five years, as well as the effectiveness of the community engagement and the design review process. The report has been shared with the City Council and the Planning Board where it received positive comments. Mr. Cotter noted that the AHO, in combination with the City's financial commitment, has enabled a significant increase in affordable housing development over the last five years.

Trustees commended staff on the report, noting that it was written in an accessible way which made the report easy to read. They also commented on how great it was that the AHO has allowed developments to be built in almost all neighborhoods. It was noted that the success of the AHO has allowed other cities to look at Cambridge as a case study and emphasized the importance of zoning.

In response to a question regarding the size of affordable housing developments prior to the passage of the AHO, Ms. Arnaud responded that Finch Cambridge, with 98 units, in Cambridge Highlands had been the first project of its size in decades and that most new buildings prior to Finch were less than half that size. With the AHO, affordable housing developments have been a variety of different sizes and in different parts of the city.

In response to a question regarding whether the AHO has enabled affordable housing developers to be more successful in acquiring properties, Mr. Cotter answered that affordable developers have been able to make more competitive offers for sites, knowing that there is a clear permitting path to development under the AHO.

65 Chilton Street Funding Request

Mr. Cotter presented a funding request for up to $400,000 in construction and permanent financing for the creation of 2 three-bedroom fully accessible affordable rental units at 65 Chilton Street, a currently vacant building last used as a hospice by a non-profit. This project is sponsored by the Cambridge Housing Authority (CHA) which will be acquiring the property.

The existing five bedroom facility will be reconfigured into 2 self-contained fully accessible three-bedroom units with private entrances, in-unit laundry, and access to a shared elevator. Along with the reconfiguration of the interior units, other work will be conducted as well, including replacing the HVAC system and moving one of the stairs. Both units will be affordable to households making at or below 60% of area median income.

The total development cost (TDC) is currently estimated at $955,000 ($477,500 per unit), including $155,000 of existing assumed City and CEDAC debt. Hard costs are budgeted at $241 per square foot. Soft costs are budgeted at $87,035 per unit. The CHA is contributing $400,000 in their own funds to support the project.

Trustees expressed support for the project and noted that rehabilitation can begin quickly since there is no private bank loan. They also noted that the location of the property in West Cambridge is great as there aren't that many affordable housing opportunities in that neighborhood.

Upon a motion moved, seconded, and approved by roll call of five in favor, one abstaining (Ms. DeRosa), and three absent (Mr. Freeman, Ms. Schelsinger, and Ms. Thorne), it was:

VOTED: to approve the request for up to $400,000 in construction and permanent funding to assist with the rehabilitation and reconfiguration of 65 Chilton 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 4:29 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 six in favor and three absent (Mr. Freeman, 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 (Chair Huang, Mr. Freeman, Ms. Schlesinger, and Ms. Thorne), it was:

VOTED: to adjourn the meeting.

The meeting adjourned at 5:07 p.m.

The next meeting is scheduled for July 23, 2026 at 4:00 p.m.

Meeting Materials:

- Agenda
- Minutes from the Trust's May 28, 2026 meeting
- Project Update
- Affordable Housing Overlay Five-Year Progress Report
- 65 Chilton Street Funding Request – 6.25.2026 memo

Cambridge Affordable Housing Trust

July 23, 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	Housing Dept.	*currently approved buyers:*	15	125 scattered site units purchased by first time buyers to-date. Trust approved expanded subsidy share in August 2023. Nine units under agreement.	N/A	$44,200,000	1-br: 50% sale 2-br: 60% sale 3-br: 65% sale	several, including most recent: March 2026
2.	Homeownership Resale Program	Housing Dept.	*currently active units:*	23	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers. Two units under agreement with a new buyer.	N/A	$16,000,000		several, including most recent: March 2026
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 underway. Community meeting held on 5/20/26; RFQ being drafted.	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. JAS held a ribbon-cutting event on June 8, 2026. Lease-up is underway.	$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 but put the FTHB 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. Planning Board Advisory Design Consultation held on 3/10/26. JAS seeking to secure remaining financing needed to begin construction.	$12,391,000	$2,394,400	$149,650	May 2021 and April 2026
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. Construction on schedule to be completed in phases, starting this summer.	$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 event 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. Just A Start selected as developer in October 2023. All financing closed 12/10/2025. Construction underway. Completion expected mid-2027.	$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. Community meeting to update abutters on new design held on 4/16/26. JAS seeking to secure remaining financing needed to begin construction.	$12,542,258	$3,407,586	$262,122	March 2023 and April 2026
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.	$95,595,872	$30,357,000	TBD	August 2023, March 2024, and February 2025, February 2026
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. Construction financing closed in May 2026 and construction beginning.	$75,055,215	$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 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. JAS seeking to secure remaining financing needed to begin construction.	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. JAS has held informal community meetings in October 2025 and on June 30, 2026.	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. Predevelopment funding closed 1/12/26. Construction and permenant financing committed April 2026.	TBD	$2,290,584	$572,646	June 2025 and April 2026
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

22.	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. CHA seeking to secure remaining financing needed to begin construction.	TBD	$14,405,000	$215,000	September 2025
23.	1648 & 1654 Massachusetts Avenue	CHA	TBD		Trust approved funding to assist with acquisition of new site. Properties were acquired on 5/14/2026 and will be transitioned to affordable housing on unit turnover.	TBD	$18,565,000	TBD	December 2025
24.	16-28 Porter Street	CHA	TBD		Trust approved funding to assist with acquisition of 16-28 Porter Street. Properties were acquired on 4/15/2026.	TBD	$6,000,000	TBD	January 2026
25.	729-755 Concord Avenue	HRI	TBD		Trust approved funding to assist with acquisition of new site. Six adjacent parcels were acquired on 6/1/2026.	TBD	$11,875,000	TBD	February 2026
26.	65 Chilton Street	CHA	2		Trust approved funding to assist with renovation of 65 Chilton Street.	TBD	$400,000	$200,000	June 2026
27.	(confidential until purchased)	CHA	TBD		Trust approved funding to assist with acquisition of new site.	TBD		TBD	June 2026
			1,155		**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 Companies	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. Final Planning Board report issued 3/24/26 and transmitted to the Trust on 4/30/26.	74		AHO Process Complete; see above
12.	Corcoran Park - Phase 1	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. Final Planning Board report issued 3/31/26 and transmitted to the Trust on 4/30/26.	67		AHO Process Complete; see above

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. Final Planning Board report issued 4/6/26 and transmitted to the Trust on 4/30/26.	16		AHO Process Complete; see above
15.	12-14 Laurel Street	Just-A-Start Corporation	First AHO community meeting held on 9/11/25.		4	AHO Process in Progress
16.	336-350 Rindge Avenue	Boston Communities and Affordable Housing & Services Collaborative (AHSC	First AHO community meeting held on 6/3/26.	~92		AHO community meetings underway
				943		**Total Units**

Status of Active Inclusionary Housing Developments

	Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	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
2.	8 Winter Street	S. Jafry	Covenant recorded 7/18/2024. Building permit issued 1/6/25. New ownership; reviewing application to amend building permit; under construction. 19 total units	3		11.203 @ 20% of floor area
2.	34 Wendell Street	ZRE	Covenant recorded 4/23/2026. Building permit issued 6/15/26. 43 total units		8	11.203 @ 20% of floor area
3.	5 Craigie Circle	Rothman	Covenant recorded 4/24/2026. Building permit issued 6/24/26. 12 total units	2		11.203 @ 20% of floor area
			Under Development:	**107**	**8**	
			Completed Units:	**1,279**	**215**	
			All Units:	**1,386**	**223**	
				1,609		

	Active Pipeline Projects	Developer	Status	Affordable Units	Total Units	Applicable zoning
1.	75 First Street	Urban Spaces	IHP plan approved; AHC recorded; sitework permit approved; building permit pending	16	90	11.203 @ 20% of floor area
2.	235 Third Street	DND Homes	IHP plan approved; AHC in process; building permit pending	11	55	11.203 @ 20% of floor area
2.	1740 Mass Ave	SGL Development	Finalizing IHP plan; AHC in process	14	71	11.203 @ 20% of floor area
3.	9 Wyman Road	DND Homes	Reviewing IHP plan	10	56	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.	320 Third aka 585 Kendall	$16,433,853	$ 33.34	
2.				
3.				
		$16,433,853	**Total FY2027**	
		$15,532,039	**Total FY2026**	
	Current Incentive Zoning Housing Contribution Rate pursuant to Section 11.202 (b):	$37.72 / per square foot		last update: 4/1/2026

Image Courtesy of Robert Benson Photography

City of Cambridge
Housing Department

Cambridge Affordable Housing Trust Overview

Joint Session: Affordable Housing Trust and Community Preservation Committee

July 23, 2026

CAMBRIDGE CDD@344
Community Development Department
344 Broadway

Executive Summary

- The Cambridge Affordable Housing Trust (CAHT) is a nine-member board that supports the City's affordable housing initiatives, serving housings making up to up to 120% of the Area Median Income (AMI) with a focus on households under 80% AMI
- Across all tenures, the Trust helps fund three different types of projects that preserve or create affordable housing:
  - New affordable housing production
  - Expiring-use preservation
  - Recapitalization, financial restructuring and rehab of existing affordable stock
- Over time, new City policies have expanded the Trust's scope and resources, resulting in over 4,200 new and preserved affordable housing assisted by the Trust.
- The Trust plays a role by providing funding commitments that developers then use to leverage other funds
- Funds from the City budget and the Community Preservation Act (CPA) are the most consistent revenue streams in a diverse array of Trust funding sources
- Given the unpredictability of the development cycle, and the robust pipeline of projects requesting funds, the Trust must maintain high balance to satisfy existing commitments and have the ability to remain opportunistic as new opportunities develop

The Cambridge Affordable Housing Trust (CAHT) is a nine-member board that supports the City's affordable housing initiatives

9 members with various housing backgrounds

Serves as a policy advisory board and loan committee

Provides financing for housing development and programs

Reviews proposals for housing preservation and development efforts and other housing programs

Trust membership is diverse, including a mix of recent appointments and longtime board members—all serving three-year terms

CAHT Membership:

Yi-An Huang* Since 2022	**James Stockard** Since 1988	**Susan Schlesinger** Since 2000
Elaine Thorne Since 2016	**Elaine DeRosa** Since 2020	**Teresa Cardosi** Since 2024
Alyson Stein Since 2024	**Krissandra Robinson** Since 2024	**Raffi Freeman** Since 2024

Representation:

– Members are recommended for appointment by the City Manager and approved by the City Council

– Members serve a three-year term

– *City Manager serves as the Managing Trustee

– Three members have lived experience in affordable housing

Across all tenures, the Trust helps fund three different types of projects that preserve or create affordable housing

Project type	Applicable tenure	Description
New affordable housing production	**Rental**	Creates new affordable rental units, either through new construction (including additions and infill on existing affordable sites), non-residential conversions, or acquisitions of market-rate housing
	Homeownership	Creates new affordable homeownership units by providing funding to developers for new construction and conversions *or* to individuals as subsidies for eligible buyers to purchase units on the open market in exchange for permanent affordability (i.e., HomeBridge)
Expiring-use preservation	**Rental**	Extends affordability protections on units where they would otherwise expire
Recapitalization of existing affordable stock	**Rental**	Needed for financial restructuring, periodic revitalization, redevelopment, or rehabilitation of existing rental units
	Homeownership	Trust funding for the Homeownership Resale Pool, which enables the City to re-purchase, rehabilitate, maintain affordability, and re-sell homeownership units to new buyers, and other stewardship and reinvestment as needed

Trust funded affordable housing initiatives serve incomes up to 120% Area Median Income (AMI), with a focus on households under 80% AMI

Housing Program Income Limits*

Housing Department | Effective June 1, 2026

Below are the current income limits that are used by the Housing Department and other agencies to determine eligibility for housing assistance programs.

Maximum for:
- CHA Housing Choice Voucher (Section 8 program)

Maximum for:
- FTHB Downpayment Assistance
- Most private & non-profit affordable housing
- CHA Elderly & Family Housing Programs
- Home Improvement Program

Maximum for:
- Home Improvement Program (for NRSAs) ***

Household Size	City 50% of Median	HUD 50% AMI	HUD 60% of Median	HUD 80% AMI	HUD 100% of Median	120% of Median
1 person	$57,600	$60,000	$72,000	$96,000	$115,200	$138,260
2 persons	$65,850	$68,600	$82,320	$109,700	$131,700	$158,020
3 persons	$74,050	$77,150	$92,580	$123,400	$148,100	$177,770
4 persons	$82,300	$85,700	$102,840	$137,100	$164,600	$197,520
5 persons	$88,900	$92,600	$111,120	$148,100	$177,800	$213,320
6 persons	$95,450	$99,450	$119,340	$159,050	$190,900	$229,120
7 persons	$102,050	$106,300	$127,560	$170,050	$204,100	$244,920
8 persons	$108,650	$113,150	$135,780	$181,000	$217,300	$260,730

Inclusionary Housing Rental Program**

Homeownership Resale Pool

HomeBridge

Middle-Income Rental Program

* Income limits are based on the FY26HUD figures issued for the Boston-Cambridge-Quincy, MA-NH Metro FMR Area. The 30%, 50%, 60% and HUD 80% are supplied by HUD. City percents are extrapolated from the 100% figure. All income limits are subject to change.

** Inclusionary Housing Rental Program income guidelines are waived for house-holds with Section 8 mobile rental vouchers.

*** NRSA is a **Neighborhood Revitalization Strategy Area**. These are designated areas where regular HUD income limits can be increased. **Click here** to view a map of Cambridge NRSAs.

Pictured: Finch Cambridge (HRI)

The Trust plays a role by providing funding commitments that developers then use to leverage other funds

1. Trust receives a request for funding for a development

2. Trust commits funds to the project

3. Developer uses commitment to leverage funds from other sources

Trust funding criteria

- Creation and preservation of long-term affordability
- High-quality sustainable design to benefit housing residents and the surrounding neighborhood and community
- Use of energy-efficient materials, and environmentally-friendly construction techniques
- Emphasis on the creation of family-sized housing (i.e., units with two or more bedrooms)
- Leveraging of Trust funds by other public and private financing sources

Pictured: 35 Harvey Street (HRI)

There are four types of loans the Trust provides to development projects:

Acquisition Loan
- Short-term loan
- 24-36 months
- Used to purchase a specific site

Predevelopment Loan
- Short-term loan
- 24-36 months
- Used to support predevelopment activities

Construction Loan
- Short-term loan
- Used to finance construction of a project

Permanent Loan
- Long-term loan
- 50+ years
- Repayable from operating cash flow over time

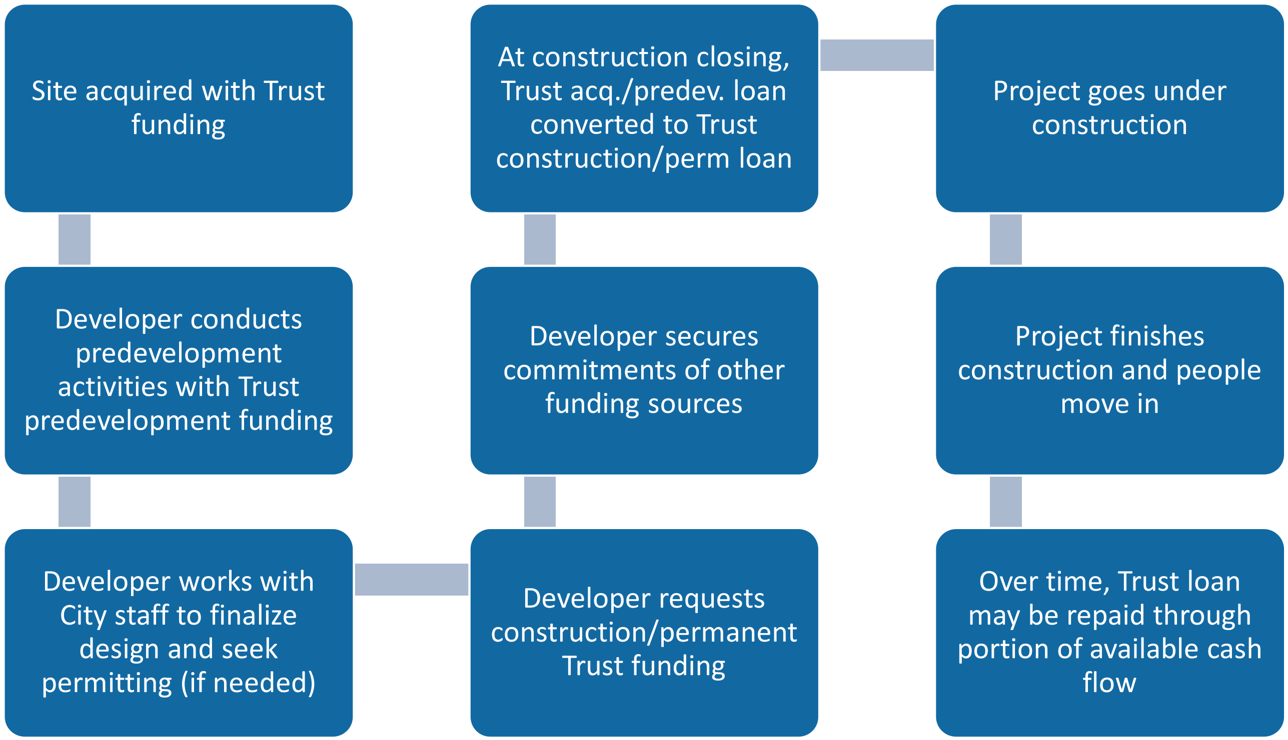
➢ Acquisition and predevelopment loans often requested together, and specific details about the project (e.g., number of units, design, total costs) are often not known at this early stage

➢ Acquisition /predevelopment loans become construction/permanent loans, or are later repaid

➢ Construction and permanent loans often requested together, and specific details about the project will be known at this stage

➢ Construction loans often become permanent loans, or are repaid, after construction is complete

… And most development projects need multiple funding requests at different points in the development cycle:



The Trust partners with many organizations, including:

CHA
Cambridge Housing Authority

HRI

JUST A START

B'NAI B'RITH HOUSING

CAPSTONE COMMUNITIES

Preservation of Affordable Housing

Neville PLACE

WinnCompanies

Pictured: 35 Cherry Street rendering (JAS)

Pictured: 116 Norfolk Street completed (CHA)

Pictured: 16-18 Wendell Street (CHA)

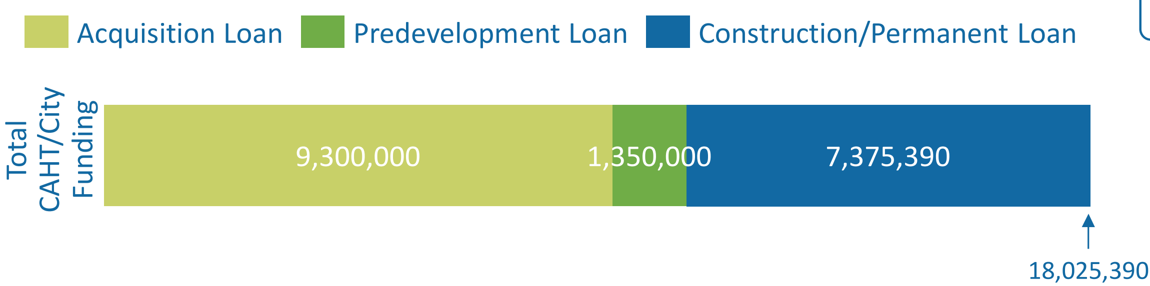
Pictured: 4 Mellen Street rendering (HRI)

Sample Project: 52 New Street

Project Description

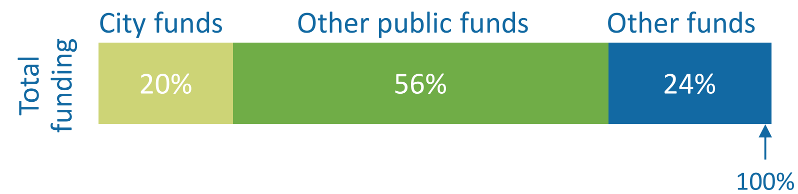
Sponsored by Just A Start; 106 new affordable rental units for households earning up to 80% AMI, with 79 units available to residents earning less than 60% AMI and 17 units available to residents earning less than 30% AMI

Funding Timeline ($)



Funding Sources

- $90.4M in total funding, $18M from CAHT/City
- CAHT/City funds secured 1:4 total leverage ratio
- CAHT/City funds unlocked $49.8M in other public funds
- CAHT/City funded $170k per unit, which is 19.9% of total development cost of $852k per unit



Funding Partners (not exhaustive)

2019: Trust commits $9.8M in acquisition and predevelopment loans

2020: Developer closes on acquisition and predevelopment loans

2021: Trust votes to increase predevelopment commitment by $850k

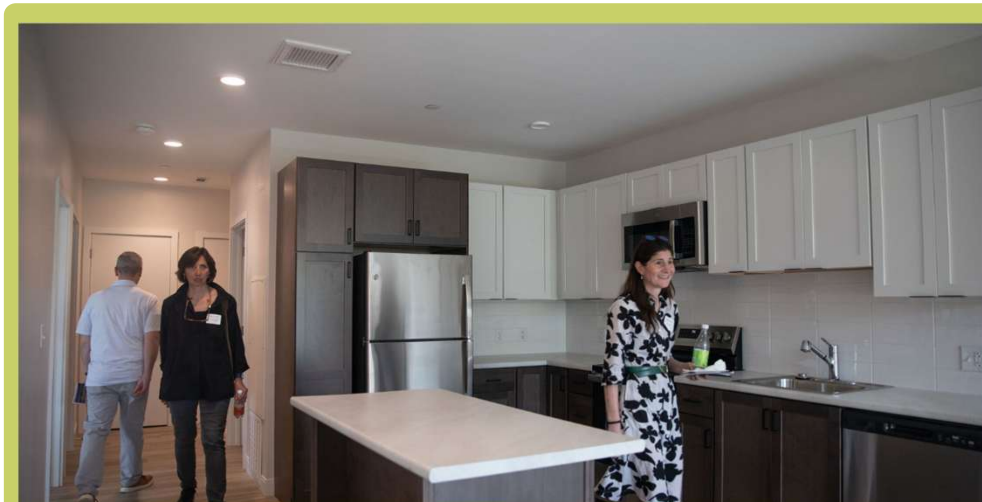
2022: Trust approves $7.4M for a permanent loan, converts predevelopment loans

2024: Developer closes on construction and permanent financing and starts construction

2026: Construction complete; site occupied

Pictured: 52 New Street ribbon cutting (photo credits to Ethi Al-Mahdi)


Pictured: 52 New Street completed (photo credits to Ethi Al-Mahdi)


Pictured: Interior of unit at 52 New Street (photo credits to Ethi Al-Mahdi)


Pictured: Aerial view of 52 New Street completed

FY2026 Commitments:

- Acquisition of **31-37 Mellen Street** ($9.8M, TBD units)
- Construction/permanent funding of **Corcoran Park – Phase I** ($14.4M, 67 rental units)
- Acquisition of **1648 & 1654 Massachusetts Avenue** ($18.5M, 79 rental units)
- Acquisition of **16-28 Porter Street** ($6M, TBD units)
- Construction/permanent funding of **28-30 Wendell Street** ($13M, 95 rental units)
- Acquisition of **729-755 Concord Avenue** ($11.9M, TBD units)
- Construction/permanent funding of **12-14 Laurel Street** ($2.1M, 4 ownership units)
- Program funding for **HomeBridge** ($10M)
- **Affordable Resale Program** funding ($3M)
- Construction/permanent funding of **37 Brookline Street/240 Broadway** ($4M, 30 rental units)
- Construction/permanent funding of **65 Chilton Street** ($400,000, 2 fully-accessible rental units)

Pictured: Rendering of Corcoran Park Phase I (CHA)

Current Requests & Future Needs

- Construction/permanent funding of **350 Rindge Avenue** (92 units)
- Construction/permanent funding of **2072 Massachusetts Avenue** (74 rental units)
- Construction/permanent funding of **Corcoran Park – Phase II** (~220 rental units)
- Construction/permanent funding **of 1826 & 1840 Massachusetts Avenue** (TBD units)
- Construction/permanent funding of **31-37 Mellen Street** (TBD units)
- Construction/permanent funding of **16-28 Porter Street** (TBD units)
- Construction/permanent funding of **729-755 Concord Avenue** (TBD units)
- Construction/permanent funding of **Frost Terrace II** (TBD units)
- Construction/permanent funding of **139 Bishop Allen Drive/Vail Court** (TBD units)
- New Site Acquisitions (TBD)

Pictured: Rendering of 2072 Mass. Ave. (Capstone/Hope)

Questions?

87-101 Blanchard Road (now under construction)

4 Mellen Street (under construction)

CITY OF CAMBRIDGE | Housing Department

To: Affordable Housing Trust

From: Cassie Arnaud, Director of Housing Development

Christine Yu, Housing Development Specialist

Date: July 23, 2026

Re: CAST I, CAST II + Inman Square Apartments (Inman/CAST I & II) – Construction Funding Request

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Homeowner's Rehab, Inc. (HRI) is requesting up to $4,244,897 in CAHT funding to support the rehabilitation of two existing affordable projects, CAST I and Inman/CAST II. Both projects were former expiring-use properties which HRI purchased and preserved, and together consist of five scattered-site buildings containing a total of 167 affordable rental units.

HRI will be consolidating these two projects into a one scattered-site project, referred to as Inman/CAST I & II. The consolidation, which will exist under a single ownership entity, will allow HRI to secure the resources needed to undertake necessary capital work at all buildings, streamline and minimize operating and administrative processes and costs, and create economies of scale.

BACKGROUND:

CAST I (55-59 Columbia Street and 3-10 Columbia Terrace):

HRI purchased and preserved 42-unit CAST I, three three-story buildings located in The Port neighborhood, in 2002 when the affordable housing restrictions were set to expire. The City provided $483,485 in HOME funding to assist with the acquisition. At the time of acquisition, HRI completed some immediate upgrades to the buildings to address immediate capital needs and life safety issues, as well as limited upgrades to common areas and unit interiors.

CAST I consists of a large number of family-sized units, including 4-bedroom and 5-bedroom apartments. The unit mix is as follows: 6 one-bedrooms, 12 two-bedrooms, 16 three-bedrooms, 5 four-bedrooms, and 3 five-bedrooms. Out of the total 42 units, 29 units are restricted to households making up to 60% Area Median Income (AMI), 5 units are restricted to 80% AMI, and the remaining 8 have project-based vouchers.

Christopher Cotter | Director of Housing
City Annex Building - 344 Broadway - Cambridge, MA 02139

Ph. 617-349-4622 | **Email.** housing@cambridgema.gov
Visit. cambridgema.gov/housing

<u>Inman Square Apartments (1221 Cambridge Street)/CAST II (49-53 Columbia Street)</u>:

In 2011, HRI purchased and preserved 116-unit Inman Square Apartments, a thirteen-story residential building located in the Wellington-Harrington neighborhood, and CAST II, a 9-unit three-story residential building located in The Port neighborhood, when affordability restrictions for both properties were set to expire. Financed together and known as Inman/CAST, the CAHT provided $2,798,000 to assist with the acquisition, preservation, and moderate rehabilitation of these two properties.

Inman Square Apartments consists of mostly studios and one-bedroom units with family-sized townhouses on the ground floor. The unit mix is as follows: 20 studios, 77 one-bedrooms, 1 two-bedroom, 17 three-bedrooms, and 1 four-bedroom. CAST II consists of 3 one-bedrooms and 6 two-bedrooms. All units at Inman/CAST have project-based vouchers. HRI is not proposing to change the affordability mix at any property.

Collectively, the three properties, Inman/CAST I & II, consist of 167 rental units and are all subject to existing City or Trust affordability restrictions, which run for fifty years. CAST I's affordability restriction runs through December 2052. Inman Square Apartment's and CAST II's affordability restriction runs through April 2061. Any new Trust funding approved for these properties would require a new extended affordability restriction to be put in place.

<u>Rehabilitation Needs and Proposed Scope</u>

Neither property has had a major rehabilitation since their acquisition. While HRI has been able to use the projects' reserves for limited renovation work and to address immediate life safety concerns, all three properties are now in need of a more comprehensive rehabilitation, particularly Inman Square Apartments. HRI has been developing a plan and seeking new funding sources to address this much needed capital work.

The primary scope of work for Inman/CAST I & II is to address critical long-term capital repairs, such as replacing the roofs and outdated systems, renovating bathrooms and kitchens as needed (some have been done upon unit turnover), swapping gas stoves with electric stoves, and updating handicapped units to meet MAAB codes.

At Inman Square Apartments specifically, the bathrooms will be upgraded simultaneously with plumbing system replacements to resolve consistent leaking issues. To increase insulation and air tightness, the existing exterior siding will be removed, and a brand-new façade will be added to increase insulation and air tightness, along with new windows and doors. Additionally, a geothermal ground source heat pump will be installed, which uses the earth's underground temperature to heat and cool buildings and is expected to reduce utilities cost.

HRI explored whether they may need limited zoning relief to allow the exterior work at Inman Square Apartments, as was needed at 808 Memorial Drive, but at this time they believe that will not be necessary. (The existing building's front setback is already non-conforming and any additional exterior insulation, which is part of HRI's rehabilitation plans, will further protrude on that.) Staff will continue to work with HRI to review their scope of work.

The rehabilitation planned for CAST I & CAST II is not as extensive as at Inman Square Apartments. The primary scope includes system upgrades and limited work to unit interiors. A new semi-centralized energy recovery ventilator system will be installed, and the existing heating and cooling system will be upgraded to ducted heat pumps, which is more energy efficient as they transfer existing heat rather than generating it. New insulation will be added to the interior side of the buildings as the exterior brick cannot be touched due to its historic significance.

PROPOSED BUDGET AND FUNDING REQUEST:

The total budget for this consolidation, refinance, and rehabilitation is estimated at $134.5 million (approximately $805,300 per unit or $477,000 per bedroom), including $37.15M in "acquisition" costs which primarily consists of existing financing that will be paid off or rolled over at closing, as shown below. When the carried "acquisition" cost is removed, the total development cost per unit is $582,831 per unit, reflecting the actual cost of the consolidation and renovation work.

Hard costs, including a 10% contingency, are currently estimated at $383,690 per unit, or $480 per square foot, and total soft costs are budgeted at $118,709 per unit. Reserves are budgeted at $2,984,565 or $17,872 per unit, which includes $3,000 per unit for an initial replacement reserve contribution and operating reserves equal to six months' debt and operating expenses, as required by the tax credit investors. Staff will work with HRI to explore whether there are alternatives to capitalizing the operating reserve upfront, including exploring whether the Trust could hold these funds as a line of credit to be disbursed if needed and to be recaptured by the Trust if and when the reserve is no longer necessary.

USES	Total	Per Unit	Notes
Acquisition:			Carried over debt/repaid debt/new value as shown below
Existing MassHousing & MHP Mortgages/ Investor Exit Taxes	*13,980,000*	*83,713*	*To be paid off at construction closing*
Existing Debt to be Rolled-Over	*14,992,522*	*89,776*	*See below for details*
New appraised value	*8,177,478*	*48,967*	*Based on new appraisal to maximize LIHTC equity; offset by Sponsor Note of same amount*

Total Acquisition	37,150,000	222,455	
Hard Costs	64,076,239	383,690	Contingency at 10% ($5,825,113)
Soft Costs	19,824,351	118,708	A & E at $3,197,619
Reserves (Operating and Replacement)	2,984,565	17,872	$501,000 for replacement reserves and $2.4 million for operating reserves
Developer Fee/Overhead	10,447,559	62,560	$4.1 million deferred fee and $6.3 million paid; calculated on standard QAP formula
TDC:	**134,482,713**	**805,286**	
TDC w/o "Acquisition"	**97,332,713**	**582,831**	

The following table summarizes the existing debt and accrued interest on the property which will be rolled over as part of the new transaction.

Lender	Type	Property	Principal	Interest *	Total
CAHT	Existing/Rollover	Inman/CAST II	2,798,000	1,086,785	3,884,785
City of Cambridge (HOME)	Existing/Rollover	CAST I	483,485	613,415	1,096,900
EOHLC	Existing/Rollover	CAST I	840,000	774,733	1,614,733
HRI	Existing/Rollover	Inman/CAST II	350,000	154,125	504,125
CNAHS	Existing/Rollover	CAST I	126,000	718,161	844,161
CNAHS	Existing/Rollover	Inman/CAST II	5,400,000	1,339,286	6,739,286
CNAHS	Existing/Rollover	Inman/CAST II	180,000	128,532	308,532
MHP	Existing Pay-off	CAST I	1,919,648		1,919,648
MassHousing	Existing Pay-off	Inman/CAST II	11,444,600		11,444,600
Sponsor Note	New	Both	8,793,229		8,793,229
*accrued interest will be updated at closing				**TOTAL**	**37,150,000**

HRI has applied for and been awarded funding through the Massachusetts Community Climate Bank (MCCB), a new initiative started by the Healey-Driscoll Administration to support the decarbonization of affordable housing developments in the state. In 2025, Inman/CAST I & II was selected as one of the first projects to be supported by the MCCB. Funding from the MCCB can be used to create energy efficient housing, improve the energy performance of existing housing, and advance clean energy technologies.

Other new sources include Capital Magnet Fund (CMF) funding, which supports the rehabilitation of existing affordable housing, and Climate Ready Housing (CRH), which finances deep energy retrofits in existing multi-family affordable housing. HRI is also working to make the project eligible for historic tax credit equity through the historic certification of CAST I and CAST II, and has already gained Part I approval through the Massachusetts Historical Commission.

In addition to the $4.2 million in requested new Trust funding, the project will be funded with approximately $31.9 million in new permanent debt, $52.6 million in federal 4% tax credit equity, $1 million from the CMF, $7 million in MCCB funding, $6.7 million in federal and state historic tax credits, $1.5 million in CRH funding, $2.3 million in Investment Tax Credit, almost $15 million in existing soft debt, $8.1 million in a seller note, and $4.1 million in deferred developer fee. Staff expect that HRI will defer more fee if costs turn out higher than budgeted.

The state historic tax credits are not provided in a lump sum and will be awarded three times a year so long as HRI continues to apply and is approved for them. In the event that HRI is not able to secure the budgeted historic tax credit equity in time, they are prepared to bridge or replace the gap with HRI financing. In addition to the potential bridge loan, HRI is providing almost $2.8 million of their own funds, at a 3.85% interest rate, to finance all predevelopment activities, which will be repaid at construction closing.

SOURCES	Total	Per Unit	Notes
CAHT	4,244,897	25,419	New Trust funding; does not include existing debt
New Debt	31,890,000	190,958	New MassHousing Risk Share mortgage
Existing/Roll-Over Debt	14,992,522	89,776	Includes soft debt on Inman and CAST I/II, which will have extended terms and will be subordinate to new first mortgage
Federal LIHTC 4%	52,575,394	314,823	
Fed/State Historic Equity	6,716,691	40,220	Approx. $3.6M in fed. and $3M in state
Capital Magnet Fund	1,000,000	5,988	0% interest rate with a 40-year term
MCCB Retrofit Demonstration Loan	7,000,000	41,916	Funding that focuses on decarbonization of affordable housing developments
Climate Ready Housing (CRH)	1,500,000	8,982	To be confirmed prior to closing, but likely 0% interest with a 30-year term
Investment Tax Credit (ITC)	2,261,952	13,545	Federal financing for government subsidized projects in three categories: renewable energy, affordable housing, and historic rehabilitation
Sponsor Note	8,177,478	48,967	
Def Fee/Eq	4,123,779	24,693	
Total Sources	**134,482,713**	**805,286**	

Staff will continue to work with HRI to review and refine their budget, including seeking opportunities to reduce costs to the extent possible. HRI has also committed to continue to seek additional funding sources, any of which would reduce the amount of Trust funding to the project.

NEXT STEPS AND PROJECT SCHEDULE:

The Trust funding being requested is the last major piece of financing needed for this consolidation and rehabilitation project. HRI hopes to have all funding secured in time to close by the end of 2026 as CMF's $1 million funding has a year-end deadline. They anticipate starting construction in early 2027 and expect completion in two years.

HRI will continue to work with residents on relocation planning. Current residents will be temporarily relocated for approximately two months during construction. Households will be able to return to their unit once completed. In cases where households do not exercise their right to return, PBV units will be filled through the CHA's waitlist and any of the non-PBV units at CAST I will be filled through CAST I's existing waitlist.

As noted, staff will also continue to work with HRI to review the scopes of work and budgets in order to see whether there are opportunities to reduce the amount of Trust funding needed for the project.

RECOMMENDATION:

The Inman Square and CAST properties are an important existing affordable housing resource and HRI's planned renovation work will ensure that current and future tenants will continue to enjoy high-quality, energy-efficient homes for the long term. Investing in the buildings' major rehabilitation will ensure the future financial viability of these properties by reducing reliability on operating and replacement reserves to address capital needs and by making improvements which will improve livability for residents and reduce operating costs. The decarbonization aspect of the renovation work will have the broad benefit of reducing greenhouse gas emissions, as well as increasing livability for residents by providing energy-efficient, updated, and healthier homes, as well as reducing operating costs.

Requests like this are somewhat atypical for the Trust, as Trust funding is typically used to create new affordable units, to deepen existing affordability, and/or to extend expiring affordability restrictions. When evaluating requests for Trust funding to support renovation work only, which is not also accompanied by those other elements, a number of criteria are taken into consideration. These considerations include a review of how the properties have been managed, including a review of operating budgets and the use of replacement reserves. Review also includes ensuring that other potential funding sources have been sought in order to ensure that the amount of Trust being provided is the minimum amount needed and that the Trust funding is being used to leverage other sources.

The Inman Square and CAST properties were among the first expiring-use projects to be preserved in 2011 with the primary focus on preserving affordability that was then at-risk. We expect that we may receive similar requests for funding to support capital work at other former-expiring use properties where there may now be similar deferred capital needs. An infusion of new funding may be required in cases where needed capital work was not able to be fully addressed at the time of initial acquisition, or covered through operating budgets and reserves.

Staff plan to prepare some guidelines to proposed for use in reviewing of requests for new Trust funding of existing Trust-funded housing, in cases which do not also involve the creation of new or significantly extended affordability.

Housing Staff recommend that the Trust approve HRI's request for up to $4,244,897 in new Trust funding to support the rehabilitation of Inman/CAST I & II, as described in more detail above and subject to the conditions outlined below. In preparing this request and recommendation, we reviewed HRI's request with Susan Schlesinger, Alyson Stein, and Jim Stockard, who agreed with Staff's recommendation to bring this request to the Trust for discussion and approval.

The loan commitment for up to $4,244,897 in new permanent Trust funding shall be made contingent on the following terms and conditions:

1. Staff approval of final rehabilitation plans;
2. Staff approval of final rehabilitation and operating budgets, including twenty (20) year operating proforma;
3. Firm written commitments from all funding sources, sufficient to complete transaction;
4. Environmental assessments and/or remediation plans, if necessary;
5. Staff approval of the tenant selection and marketing plan, which shall be consistent with the City's marketing preferences including but not limited to maximum preferences for Cambridge residents; the tenant selection plan will also include the City's demographics reporting requirements, as requested and in a form acceptable to Staff;
6. Staff approval of relocation plan;
7. Staff approval of construction plans and specifications;
8. Submission of final construction bid and trade items from general contractor along with construction contract Borrower has entered into with contractor;
9. Zoning approval and permitting necessary to project, as applicable;
10. Standard Trust terms and conditions, including, but not limited to:
    - All affordable units shall be subject to an affordable housing covenant to be signed at or prior to loan closing; prior to loan closing, Staff shall be authorized to decide whether the existing affordable housing restrictions should be amended and restated and remain as individual covenants or replaced by a single combined covenant;

- The term of the affordable housing covenant(s) shall be the longest period allowable by law, or fifty (50) years or one year longer than the longest restriction on the property now or in the future, as approved by Staff;
- All units shall be restricted to households earning at or below 80% AMI, as defined in the amended affordable housing covenant(s);
- The existing Trust loan of $2,798,000 shall be amended and restated to be combined as a single permanent financing loan with the new Trust financing of $4,244,897, totaling $7,042,897;
- The new Trust financing of up to $4,244,897 and the existing Trust financing ($2,798,000 plus accrued interest) shall be combined and secured by a new shared second mortgage subordinate only to private first mortgage financing on terms acceptable to Staff; this is anticipated to be accomplished through an amendment and replacement of the existing Trust loan documents or other approach acceptable to Staff;
- The combined loan shall have an interest rate of 3% compounding annually, or such other rate approved by Staff;
- The term of the amended and restated combined loan shall be fifty (50) years;
- The combined loan shall be subject to a penalty rate of 8% compounding annually; applicable upon violation of the affordability housing covenant;
- Any funds loaned to the project by HRI or an affiliated entity shall be subordinate to Trust funding and have an interest rate no greater than 3% compounding or such other rate approved by Staff. In the event that HRI or an affiliate needs to provide financing to bridge, or replace, the anticipated historic tax credit equity, it is expected that that funding shall be subject to the following additional conditions:
    - If the historic funding is awarded, any funds advanced under the HRI bridge loan shall be repaid and replaced by the historic financing;
    - If the historic funding is not awarded, HRI bridge loan shall be converted to a permanent loan and remain subordinate to the Trust, at an interest rate not exceeding the rate of the Trust financing;
- Execution of all loan documents, including but not limited to the Loan and Security Agreement;
- 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 combined loan shall provide for repayment of principal and interest from 50% of net cash flow from the development, or through other means, or other terms acceptable to Staff;
- Loan shall be non-recourse; and,
- Any reductions in project costs or increases in non-Trust funding sources shall be used to reduce the amount of the Trust commitment, as determined and approved by Staff.

During the construction period, the Borrower shall comply with the following requirements:

- Notify Lender's Construction Manager of proposed renovations, construction meetings, and copy on meeting minutes;
- Copy Lender on all change orders;
- Copy Lender on all funding requisitions to other sources; and,
- Submit requisitions in form acceptable to Lender.

Following lease-up, the Borrower shall comply with the following requirements:

- Provide required demographic information per approved tenant selection plan;
- Provide data on the project's as-built and operating costs in format acceptable to Staff.