

**MEMORANDUM**

To: Cambridge Affordable Housing Trust
From: Cassie Arnaud, Senior Manager of Housing Development
Christine Yu, Associate Housing Planner
Date: April 30, 2026
Re: 37 Brookline Street and 240 Broadway (Broadway Park) – Construction Funding Request

Just A Start (JAS) is requesting up to \$3,990,875 in additional Trust funding to enable the construction of 30 affordable rental units at their scattered-site development at 37 Brookline Street and 240 Broadway (Broadway Park).

JAS is also requesting that the funding previously provided by the Trust for acquisition and predevelopment be converted to permanent financing at construction closing. As you may recall, the Trust provided \$1,700,000 in funding for the acquisition of 37 Brookline Street in 2023, along with \$111,111 in predevelopment funding for use at both sites. With this new Trust request, the total amount of permanent Trust financing requested for the consolidated Brookline/Broadway Park development will be \$5,801,986 or \$193,400 per unit.

JAS has long been looking to redevelop Broadway Park and plans to consolidate it with the development of 37 Brookline Street as combining the two sites into a single scattered-site rental project will make each development more financially feasible. 37 Brookline Street is a 6,582 square foot property in Cambridgeport, which was purchased by JAS in July 2023 from the estate of the late local artist, Peter Valentine. The Brookline Street property currently contains a vacant three-family building, which will be demolished and replaced with a new affordable five-story multi-family rental development containing 14 units.

Broadway Park is a 4,175 square foot surface parking lot on the corner of Broadway and Windsor Street and has served as a second parking lot for JAS staff and residents of the George Close building across the street. JAS plans to construct a new affordable six-story multi-family rental development containing 16 units.

Under the provisions of the Affordable Housing Overlay (AHO), JAS will create a total of 30 rental units across both properties. The unit breakdown is as follows:

Unit Mix	37 Brookline	Broadway Park	Total
1 BRs	6	1	7
2 BRs	5	11	16
3 BRs	3	4	7
Total	14	16	30

All units will be affordable for households earning at or below 60% AMI, per the tax credit program requirements, with some units being more deeply affordable units for households earning at or below 30% AMI. Three units (one at 37 Brookline Street and two at Broadway Park) will be fully accessible. Both buildings are designed to meet Passive House and Enterprise Green Communities standards.

JAS completed the AHO community process for 37 Brookline Street in September 2024 and did not need to bring the proposal to the Planning Board for an Advisory Design Review Consultation as the project does not exceed the new thresholds which apply to AHO projects, following the 2025 multi-family zoning amendments. JAS completed the Broadway Park AHO community process in November 2025 and presented the proposal at the first and only required Planning Board Advisory Design Review Consultation on March 10, 2026. The Planning Board final report was issued on April 6, 2026, and is also being transmitted to the Trust as separate agenda item today.

While the Planning Board supported the creation of affordable housing at this site, their final report included a range of suggestions for continued design refinements, which they recommended JAS explore further prior to finalizing their design and seeking a building permit. Their comments were mostly focused on the building’s exterior façade, such as revisiting the uses of color, materials, and façade articulation. They also shared comments on potential site and landscape improvements, specifically around the reconfiguration of the ground floor.

JAS is in the process of reviewing the recommendations and met with City staff — including those from the Housing Department, Community Development, and the Department of Public Works (DPW) — to share and receive feedback on potential changes. Additionally, JAS is in discussions with DPW regarding the issue of the street trees, which currently protrude over the Broadway Park site and would be impacted by construction.

Housing staff are encouraging JAS to consider the comments and to explore continued refinements as they work to finalize their designs and are recommending that the Trust delay acceptance of that report until we know more about how JAS can respond to the Board’s comments.

DEVELOPMENT BUDGET:

The total development cost (TDC) for the combined sites is budgeted at \$24.9 million (\$12.5 million for 37 Brookline Street and \$12.4 million for Broadway Park). The TDC per unit (\$831,109), hard costs per square foot (\$409), and soft costs per unit (\$102,446) are lower than other recent new developments, reflecting the fact that these are smaller wood-framed buildings and there is no acquisition cost for one of the sites. JAS budgeted operating expenses at approximately \$14,400 per unit, which is in line with other recent developments.

JAS’s anticipated total Trust funding for the consolidated development is \$5,801,986 (\$193,400 per unit), of which \$1,811,111 has been disbursed to date for acquisition and predevelopment. The City has also committed \$500,000 in Community Development Block Grant funds to assist with predevelopment, of which \$480,514 has been disbursed to date. The total Trust/City funding will be \$6,301,986 or \$210,066 per unit.

In addition to local funding, other sources will include approximately \$6.0 million in 9% Federal Low Income Housing Tax Credits (LIHTC), \$2.0 million in State LIHTC, \$5.3 million in soft state funding, \$4.9 million in permanent debt, \$110,000 in Mass Save funding, and \$279,272 in Deferred Developer Fees.

The following table provides a summary of the development budget for 37 Brookline Street/Broadway Park compared to other recent projects of roughly similar scale:

Project	240 Broadway	37 Brookline Street	37 Brookline St + Broadway	35 Cherry Street	4 Mellen / 1627 Mass Ave	49 6th Street	Rindge Commons North	
Budget Type + Date	Proposed Constr - Feb 2026	Proposed Constr - Feb 2026	Proposed Constr - Feb 2026	Constru Closing - Nov 2025	Constru Closing - Jun 2025	Constru Closing - Jun 2025	As Built - Feb 2024	
Total Units	16	14	30	10	29	46	24	
Total Bedrooms	35	25	60	24	55	91	38	
Per Unit, BR, Sq Ft	TDC/Unit	774,438	895,876	831,109	840,200	1,110,401	968,227	755,521
	TDC/Unit w/o Acq	774,438	774,447	774,442	840,200	862,125	920,204	745,528
	CAHT & City/Unit	166,319	260,063	210,066	486,200	359,483	244,565	154,444
	TDC/BRs	354,029	501,690	415,554	350,083	585,484	489,434	477,171
	CAHT & City/BR	76,031	145,635	105,033	202,583	189,545	123,626	97,544
	Total HC/sq. ft.	382	446	409	447	483	513	421
USES	Acquisition	0	1,700,000	1,700,000	0	7,200,000	2,209,055	239,850
	Total Hard Costs	9,335,500	8,168,616	17,504,116	6,284,000	16,749,173	31,340,230	12,533,884
	Total Soft Costs	1,639,100	1,434,269	3,073,369	1,298,000	5,321,628	7,385,380	3,386,548
	Fee/OH + Reserves	1,416,400	1,239,373	2,655,773	820,000	2,930,830	3,603,792	1,972,230
	TOTAL USES	12,391,000	12,542,258	24,933,258	8,402,000	32,201,631	44,538,458	18,132,512
SOURCES	City/CAHT	2,661,100	3,640,886	6,301,986	4,862,000	10,425,000	11,250,000	3,706,658
	Debt	2,622,400	2,294,600	4,917,000	0	4,970,000	6,190,000	3,425,000
	EOHLC/State Soft	2,593,300	2,656,700	5,250,000	0	4,100,000	2,469,000	2,099,000
	Tax Credit Equity	4,306,700	3,768,300	8,075,000	0	11,487,021	14,706,492	7,775,066
	Def Fee/Eq	148,900	130,372	279,272	0	392,070	200,000	769,836
	Other Sources	58,600	51,400	110,000	3,540,000	827,540	9,722,966	356,952
TOTAL SOURCES	12,391,000	12,542,258	24,933,258	8,402,000	32,201,631	44,538,458	18,132,512	

NEXT STEPS:

JAS is working on addressing feedback from the Planning Board and potentially incorporating some of them into the final development plan. Once they evaluate all the suggestions, a formal update will be provided to City staff. JAS applied to the Executive Office of Housing and Livable Communities for state funding in March 2026, and is waiting to hear whether they will receive state financing this year. They hope to have all required permitting and financing secured in time to begin construction in January 2027 with initial occupancy in summer 2028.

RECOMMENDATION:

The redevelopment plans for these two sites will result in 30 new high-quality, energy efficient affordable homes for low and moderate-income households.

Staff recommend that the Trust approve JAS's funding request for up to \$3,990,875 in new Trust permanent financing, and their request for combining the previously approved \$1,811,111 in short-term financing with the new permanent financing as a single permanent loan commitment of \$5,801,986.

In preparing this request and recommendation, Housing Staff reviewed JAS's request with Raffi Freeman, Susan Schlesinger, and Jim Stockard, who agreed with Staff's recommendation to bring this request to the Trust for discussion.

The loan commitment of up to \$5,801,986 in permanent funding shall be made contingent on the Trust's standard terms and conditions including, but not limited to, the following:

1. Staff approval of final design and development plans;
2. Staff approval of final development 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;
5. Staff approval of 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 construction plans and specifications;
7. Submission of final construction bid and trade items from general contractor along with construction contract Borrower has entered into with contractor;
8. Zoning approval and permitting necessary to project;
9. The Trust's review, consideration, and acceptance of Planning Board final AHO advisory design review reports and any responses from JAS pursuant to the advisory design review;
10. Standard Trust terms and conditions, including:
 - All affordable units shall be subject to the Trust's affordable housing covenant to be signed at or prior to loan closing;
 - The term of the affordable housing covenant 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 affordable housing covenant;
 - The loan shall be secured as a shared second mortgage loan of up to \$5,801,986, subordinate only to private first mortgage financing on terms acceptable to Staff;
 - The loan shall have an interest rate of 3% compounding annually, or such other rate approved by Staff;
 - The term of the loan shall be fifty (50) years;
 - The loan shall be subject to a penalty rate of 8% compounding annually; applicable upon violation of the affordability housing covenant;
 - Staff approval the terms of any sponsor loan, if applicable, including a requirement that any sponsor loan be subordinate to Trust funding and that the interest rate be no greater than the rate of the Trust financing, or such other rate approved by Staff;

- 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 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 all 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; and,
- Project’s as-built and operating budget; and,
- Provide data on the project’s operating costs, upon request, in format acceptable to Housing Staff.