



CITY OF CAMBRIDGE

Community Development Department

IRAM FAROOQ

Assistant City Manager for
Community Development

SANDRA CLARKE

Deputy Director
Chief of Administration

KHALIL MOGASSABI

Deputy Director
Chief Planner

MEMORANDUM

To: Cambridge Affordable Housing Trust
From: Chris Cotter, Housing Director
Cassie Arnaud, Senior Housing Planner
Date: April 24, 2022
Re: Conversion of 49 6th St/Sacred Heart by POAH

Over the last year, Preservation of Affordable Housing (POAH), a Boston-based non-profit and Urban Spaces, a private housing developer, have been working on plans to convert of a portion of the Sacred Heart Archdiocese property in East Cambridge to affordable housing. While the team is not yet ready to submit a formal request for Trust funding, their plans for 49 Sixth Street continue to progress well and they anticipate submitting a formal request for Trust funding in the coming weeks. We have been working with POAH as the team has developed its plan, held several community meetings, and recently began the advisory design review process with the Planning Board under the Affordable Housing Overlay. In advance of bringing a formal funding request to the Trust at an upcoming meeting, we thought it would be helpful to provide an overview of the project.

Project Overview:

The Sacred Heart property consists of a school building, convent, rectory, chapel, and church facility. The current development plan involves creating 47 new affordable rental units in the school, rectory, and convent buildings, while the church and chapel would continue to be used by the Archdiocese. The project is being permitted under the Affordable Housing Overlay.

Over the last few months, POAH has made significant progress advancing their design and has been able to address the unit mix and other questions we reviewed with them.

Unit Mix and Unit Sizes

One of the biggest concerns we raised with their initial plan was the proposed unit mix which included a large number of studio apartments. In response, POAH has updated its plans to eliminate all of the studios and has increased the number of family-sized units. Their current plans would create 46 new units, including 14 one-bedroom, 20 two-bedroom, 11 three-bedroom and 1 4-bedroom units.

Concerns were also raised regarding the size of the family-sized units. In response, POAH worked closely with their architect and historical consultant to update the interior plans to ensure the livability of all of the units, including improved and increased common space in the family-sized units in order to accommodate the needs of larger households.

The following table provides a summary of the updated unit mix:

Bedrooms	# Units	% of Total	Average Size
Studios	0	-	-
1BRs	14	30.4%	630 sf
2BRs	20	43.5%	900 sf
3BRs	11	23.9%	1080 sf
4BR+	1	2.8%	1500 sf
Total	46	100.00%	

In order to retain the unit count and increase individual unit sizes, the plans rely on the use of the lowest levels of the school and convent buildings, portions of which are below-grade. However, unlike standard basement units which often have low floor to ceiling spans, small windows, and extra vulnerability to flooding, the proposed below-grade “garden level” space at 49 Sixth is only slightly below street level and would take advantage of existing large, historic windows and good ceiling heights. In terms of flood mitigation, POAH has worked closely with the City’s Department of Public Works (DPW) to ensure that any below-grade living space is protected to the City’s high standards of flood risk prevention. At present, plans call for a series of mitigation measures which DPW has deemed sufficient to address predicted flood risk.

Funding Sources and Anticipated Trust Request

Initially, POAH proposed that funding sources for 49 Sixth Street would be limited to 4% housing tax credit equity, Federal and state historic tax credit equity, private debt, and Trust funding in order to avoid having to wait for competitive soft funding from DHCD. However, POAH has since agreed to change their approach understanding that the Trust expects developers to include state soft funds among their funding sources in order to balance the need for local funding. This policy is particularly meaningful at a time when there are other large new construction projects in the pipeline, each of which requires substantial funding from the Trust.

POAH is in the process of refining their financing plan for 49 Sixth Street. While their initial budget showed higher than typical costs per unit, Staff have worked with POAH to identify places where costs could be reduced. Their most recent budget, as submitted to the Planning Board in their AHO package, assumed a substantially lower total development cost (TDC) of approximately \$29.7 million or just under \$650,000 per unit. The budget also assumed a Trust request of \$7,750,000 or \$168,478 per unit.

We understand that costs may have shifted upwards in the intervening time period and are awaiting a revised budget. However, a Trust request in the range of \$7,750,000, as initially

anticipated, would be in line with, and in some cases below, other recent new construction projects as shown below:

- 52 New Street: \$168,513 per unit (new construction)
- SquirrelWood: \$173,087 (new construction)
- Rindge Commons: \$177,083 per unit (new construction)
- Frost Terrace: \$269,634 per unit (historic renovation + new construction)
- Finch Cambridge: \$273,552 per unit (new construction)

(Note that Frost Terrace and Finch Cambridge pre-dated a regulatory change which enables 4% tax credit projects to capture a larger amount tax credit equity, thereby requiring less subsidy funding).

Staff will continue to work with POAH as they refine their anticipated sources and uses. Staff have discussed the 49 Sixth Street proposal with the Project Review Committee. The Project Review Committee for 49 Sixth Street has consisted of the following Trust members: Peter Daly, Susan Schlesinger, Jim Stockard, and Bill Tibbs.

Next Steps

As noted, POAH is in the process of revising their financing plan for 49 Sixth Street and we anticipate that they will be submit a revised budget and funding request in the coming weeks. In the meantime, they will continue the AHO permitting process after having hosted two AHO community meetings in 2021 and beginning the Planning Board advisory design review earlier this month. They are now awaiting the issuance of the Planning Board's initial design recommendations in advance of bringing the proposal back to the Planning Board for its second advisory design review.