

City of Cambridge

FY2020 One-Year Action Plan

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Residents and interested parties have until May 10, 2019 to provide feedback and comments on this DRAFT.

Please submit all comments on the contents of this DRAFT to:

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Executive Summary

The City of Cambridge's FY2020 One-Year Action Plan describes how the City plans to utilize its allocation of funds received via the U.S. Department of Housing and Urban Development (HUD) through its Community Development Block Grant (CDBG), HOME Investment Partnership (HOME) and Emergency Solutions Grant (ESG) entitlement programs. The Plan covers the time period from July 1, 2019 to June 30, 2020. The Plan describes the City's initiatives to:

- **Create a Suitable Living Environment for its residents,**
- **Provide Decent Housing for its residents, and**
- **Create Economic Opportunities for its residents.**

These initiatives are carried out by the City's Community Development Department (CDD), the City's Department of Human Service Providers (DHSP) and various other local agencies, non-profit and for-profit businesses these Departments work with as needed. These initiatives are consistent with guidelines set-forth by HUD in accordance with the regulations governing the utilization of federal funds and are based upon the needs that the City has determined exist through its own assessment and the on-going input of Cambridge residents.

Actual funding amounts are determined annually by the U.S. Congress, with Cambridge's portion established by a formula that considers the City's degree of poverty, age of housing stock and population growth lag. For FY2020, Year Five of the FY2016-2020 Five-Year Consolidated Plan, Cambridge will receive \$XXX in Community Development Block Grant (CDBG), compared to \$2,671,379 in FY2019; \$XXXX in Home Investment Partnership Act (HOME), compared to \$665,070 in FY2019; and \$XXX in Emergency Solutions Grant (ESG) funds, compared to \$220,976 in FY2019. In total, Cambridge will receive \$XXXX in formula based funding from HUD, compared to \$3,557,425 in FY2019 funding levels.

The City cannot predict the actual level of funding for Year Five of the FY2016-FY2020 Consolidated Plan at the time of this report.

The Primary Activities, Objectives and Goals for FY2020:

Affordable Housing

The primary objective of Cambridge’s Housing Division as it relates to the CDBG program is to preserve and expand the City’s stock of affordable rental and home-ownership units. As Cambridge is a built-out City with little developable land, the primary methods employed to achieve this goal are the acquisition and conversion of units to affordability, the rehabilitation of existing units owned by low and moderate-income individuals and re-financing expiring use properties and inclusionary zoning policies.

The primary challenges to achieving this objective are Cambridge’s highly competitive real-estate market, Cambridge’s small size and lack of undeveloped land, and the decreasing availability of federal funding through the Section 8 program, as well as a decrease in funding from all sources.

Primary Affordable Housing Objectives:

- Create new affordable rental units that are targeted for extremely low, low and moderate-income families and individuals.
- Increase affordable homeownership opportunities for first-time low and moderate-income buyers.
- Preserve affordable rental housing opportunities, and enhance access for extremely low, low and moderate-income renters.
- Continue to stabilize owner-occupied one to four family buildings owned by extremely low, low and moderate-income households.

The goals for FY2020 are to **create XX new affordable rental units** through Inclusionary Zoning policies (XX) and non-profit development projects (XX); **add XX affordable home-ownership units** to the City’s stock through Inclusionary Zoning (X), First-Time Home Buyer (FTHB) down-payment assistance (X) FTHB re-sale (XX); **preserve the affordability of XXX rental units** through expiring use (XX) and , and to **stabilize XX units** through rehabilitation.

The City will continue efforts to provide housing options for “extremely low-income” households who earn less than 30% of area median income. All City-assisted affordable rental units are available to extremely low-income households who have rental housing vouchers from the Cambridge Housing Authority or other subsidizing agency. City-assisted affordable units

include units developed with CDBG, HOME, or City funds, and units developed under the City's inclusionary housing program, many of which are occupied by households with rental subsidies.

Economic Development

The Economic Development Division is responsible for a wide range of economic development activities designed to meet the City's need for a diversified and thriving economy. The Division offers programs aimed at revitalizing commercial districts, supporting entrepreneurship, promoting a dynamic business climate and preserving a strong employment base. The Economic Development Division offers individual business development assistance as well as numerous programs designed to enhance the vitality of local businesses, including micro-enterprises and to encourage business growth within the City.

Primary Economic Development Objectives:

- Cultivate a supportive environment for business, with particular emphasis on small, women and minority-owned businesses.
- Promote thriving retail and commercial districts.
- Support efforts to sustain a diverse array of employment opportunities accessible to Cambridge workers, including support for training of low and low-moderate Cambridge residents for jobs in the bio-medical and emerging industries.

The goals for FY2020 are to **graduate X residents** from the Just-A-Start Biomedical Degree program, **provide workshops to XX income-eligible individuals** who run, or are looking to start, a micro-enterprise and **assist XX income-eligible retailers** through the Business Enhancement Program (formerly the Best Retail Practices program), **XX** of which will receive grants; and to help XX businesses remove architectural barriers to accessibility.

Public Services

The City of Cambridge provides a comprehensive array of Public Services and programs for its residents through the Department of Human Service Programs (DHSP). The Department's mission is to improve the quality of life for Cambridge's youths, seniors and all residents by creating and coordinating public services. The scope of the work DHSP undertakes is impressive and its effectiveness in executing its objectives is seen in the number of Cambridge residents assisted each year through its programs.

The Department delivers these services through programs aimed at: training and counseling for gainful employment; legal services for at-risk families and individuals; services for battered and abused spouses; child care services; counseling and support initiatives for at-risk youths and their families; programs for the city's seniors and various general services which do not fit easily into a HUD specified category. DHSP also administers the City's Continuum of Care and Emergency Solutions Grant (ESG) programs, which provide comprehensive services to homeless and at-risk individuals and families throughout Cambridge.

Primary Public Services Objectives:

- To create or support a broad array of services and opportunities for families and youth,
- To create or support services for senior citizens and persons with disabilities residing in Cambridge,
- To offer legal support and services to public & private housing tenants in eviction cases.
- To offer age-appropriate services to disadvantaged and underserved youths.
- To create or support domestic violence and abuse prevention and treatment for adults and youth,
- To provide after-school and year-round employment programs; including life skills and academic support to youths and young adults.
- To assist in providing a wide array of child-care services that benefits the children, the parents and the providers.

The goals for FY2020 are: provide vital support services to approximately **XXXX** low and low-moderate income individuals, provide vital support services to approximately **XXX** elders and individuals with disabilities, provide vital legal and tenant support services to approximately **XX** low-moderate income individuals, families and their children, provide vital support services to approximately **XXX** low and low-moderate income youths, provide domestic violence-related services to approximately **XX** low-moderate income adults and children, provide essential employment programs to approximately **XXX** youth and young adults – all through a variety of Public Service grants and programs.

Emergency Solutions Grant (ESG)

HUD has transitioned the Emergency Shelter Grant to a new name and focus. Beginning in FY2013 the program is named the Emergency Solutions Grant, with a focus on preventing those at risk of entering homelessness, the rapid re-housing of recently homeless individuals, as well as standard shelter services and data collection aimed at fully understanding those experiencing homelessness.

For the ESG program the goals for FY2019 are: to provide funding to homeless shelters that will specifically serve approximately **XXXX** individuals and **XX** homeless families from the target population of single homeless women and homeless children and families and people with disabilities, provide funding to homeless services provider(s) that will serve over **XXX** homeless youths and to fund homeless shelters that will serve a target of **XXXX** homeless men and to provide rapid re-housing, homeless prevention and stabilization services for **XX** Cambridge families and **X** disabled individuals.

Additional Activities

Neighborhood Revitalization Strategy

The City first established a Neighborhood Revitalization Strategy Area (NRSA) in FY2003, using 2000 Census data. That NRSA was expanded in FY2005 to include two areas, one extending from the Wellington-Harrington and Area 4 neighborhoods, across Central Square and including much of the Cambridgeport and Riverside neighborhoods, and another that was anchored by the Rindge Towers and included much of the commercial corridor along north Massachusetts Avenue. These NRSA's were extended via the FY2011-FY2015 Consolidated Plan, still using 2000 Census data, which was the most recent data set available at the time of that Plan's preparation. The City is again recertifying the two NRSA's for the FY2016-FY2020 Consolidated Plan, this time using 2007-2011 ACS data. The two NRSA's represent the highest concentration of low and moderate-income individuals and families in order to target resources for housing rehabilitation and economic empowerment. While slightly different in footprint, the two NRSA's are roughly equivalent to those of previous years, with some modifications being made as determined by the new demographic data set. The programs will be the same as in previous years.

The City will seek to utilize the flexibility afforded by designated NRS areas to provide rehabilitation assistance to residents who earn up to 120% of Area Median Income (AMI) and continue its focus on the Economic Development programs which have demonstrated high-demand and successful results.

The goals for FY2019 are to graduate **X** residents from the Just-A-Start Biomedical Degree program, provide workshops to **XX** income-eligible individuals who run, or are looking to start, a micro-enterprise and assist **XX** income-eligible retailers through the Best Retail Practices program, **XX** of which will receive grants.

The City will also provide assistance to homeowners in the NRS area that earn up to 120% of area median income through its Home Improvement Program on a case by case basis if appropriate circumstances present themselves.

Streets & Sidewalks, Parks & Playgrounds

In the past, the City has used a portion of its CDBG allocation to fund street, sidewalk and public space improvements. These activities typically occur in the City's two NRS areas, and always have a defined and approved service area that benefits primarily low and moderate-income residents of a specific neighborhood. As opportunities arise, the City will consider such projects on a case by case basis as they relate to overall the funding and project picture

General Questions

Location

The Community Development Department at this time does not know specific locations for allocating funds for loans and/or grants through its Home Improvement Program (HIP) and Affordable Housing Development (AHD) projects as these funds are expended as eligible projects are identified citywide.

Economic Development programs target residents in Cambridge's two Neighborhood Revitalization Strategy (NRS) areas. A description of who may apply for assistance, the process for selection of who will receive the assistance and how much and under what terms the assistance will be provided can be found under the section entitled Affordable Housing Objectives and Economic Development Objectives.

Activities by Geographic Area

Cambridge intends to concentrate resources that benefit existing residents in the CDBG-eligible areas where the highest concentration of low and moderate-income households reside. For affordable rental and homeownership projects and public services programs, we will support projects in all parts of the City. Cambridge supports the even distribution of CDBG, HOME and ESG funded activities throughout the neighborhoods of the City that demonstrate need and where opportunities to increase the affordable housing stock exist. The following maps will show the specific areas of the City that will benefit from the various programs and services to be undertaken over the next year.

Obstacles to Meeting Underserved Needs

The primary obstacle to meeting the underserved needs in the City of Cambridge is a lack of available funding to the City and to the various non-profit agencies the City partners with in serving the low and moderate-income residents of Cambridge. As entitlement grants shrink or remain level-funded the cost of delivering services and completing projects increases, creating, in the recent past and present, an ever-widening spread of cost and available funds. Mirroring this trend is the increasing difficulty in leveraging funds through state and private resources, also decreasing or stagnant in recent times. Cambridge is fortunate in regards to its robust tax-base, but despite this local trend the overall availability of funds from both federal, state and other private resources continues to decline as inflation, and therefore costs, rise.

In FY2020 the City will continue its efforts to seek additional grants and funding sources as the cost of performance outpaces the funding outlook.

Managing the Process

Lead Agency

The City's Community Development Department (CDD) has been designated the lead agency responsible for the development of the FY2020 One-Year Action Plan and oversight of all aspects of the process. CDD has the responsibility of ensuring that the goals of the City Manager and the City Council are met through the various program and projects in the Consolidated Plan. The CDD is also responsible for the administration of the Community Development Block Grant and the HOME funds. CDD works closely with the Department of Human Services, which manages 15% of the CDBG funds and 100% of the Emergency Shelter Grant. A major portion of the CDBG and HOME funds are awarded to two nonprofits, Just A Start and Homeowners' Rehab. Inc. The nonprofits partner with CDD in the development of Affordable Housing units and the stabilization of neighborhoods through housing rehabilitation and other programs.

Significant Aspects of Developing the Plan

Development of the Plan involved working closely throughout the year with the Department of Human Service Providers (DHSP) and the Cambridge Housing Authority (CHA). CDD developed the Plan within the guidelines established by the City Council's goals and the City's annual budget process. CDD, Human Services, City Manager and the City Council worked all year long establishing goals and priorities for the city by collaborating with residents, various neighborhood groups and business leaders.

Actions to Further Develop Institutional Structure

Cambridge will continue its efforts in FY2017 to further develop the City's institutional structure to support its ongoing commitment to affordable housing, community services and a healthy economic base.

With property prices remaining out of reach for low and moderate-income residents in Cambridge, the gap between available resources and outstanding need remains. There is an increased need for federal funds for housing activities of all types including preserving affordability of units with expiring use restrictions, new affordable rental and homeownership housing, and housing for special needs populations.

Cambridge will work to reduce the gap in resources by aggressively seeking out additional federal, state and private resources to support its affordable housing priorities. The City will work to eliminate any regulatory gaps by working with federal and other agencies to identify problems and, where appropriate, to seek refinements or waivers of regulations that impedes efficient affordable housing production.

Cambridge will continue its outreach to residents, businesses and organizations through community meetings and various public forums through the annual Consolidated Plan process.

Please also see the Cambridge Housing Authority “Moving to Work” Annual Plan in the Appendix of this document.

Enhance Coordination

Cambridge will work to enhance coordination between public and assisted housing providers as well as private and governmental health, mental health and service agencies. This will be accomplished using both formal and informal networks that bring together public, private and nonprofit housing and service providers. These include groups such as the Cambridge Neighborhood Apartment Housing Services Board, which includes representatives from the Cambridge Housing Authority, non-profit agencies, and the City.

One approach to coordinating services is through contracts for program delivery. Cambridge Community Development has approximately \$2 million in annual contracts with nonprofit housing agencies for the operation of housing programs. This contractual relationship, involving contact on a nearly daily basis, means that the nonprofits both operate programs on an ongoing basis, and are available to assist with policy and program development.

Cambridge has a number of successful groups and committees that currently work together to provide an effective delivery system for affordable housing production and services throughout the City. A variety of organizations, including the Community Development Department, the Cambridge Department of Human Service Programs, the Cambridge Housing Authority, and nonprofit agencies, routinely collaborate on projects and participate in network meetings.

Since 1995, the Affordable Housing Development Working Group has been meeting regularly to coordinate affordable housing development projects throughout the City. This group is made up of staff from the Community Development Department, the Cambridge Housing Authority, Just A Start Corporation, Homeowner's Rehab, Inc. and Cascap, Inc.

Citizen Participation

Citizen Participation Plan

The City of Cambridge has a thorough and extensive community process that is employed for all projects. The City consistently seeks to include the input of Cambridge residents in all phases and aspects of its Community Development initiatives, from the initial planning, to project and program implementation to the reporting and assessment of accomplishments. The effectiveness of this process is key in delivering the proper services and programs to the City's residents, while ensuring that the overall direction of the Community Development Department's work is consistent with residents' expectations and is responsive to neighborhood concerns. A more detailed assessment of this processes elements is as follows:

Participation

The City encourages citizen participation in all stages of the planning process. From the drafting of the Consolidated Plan to the filing of the annual Performance Evaluation Report the City hosts Public Meetings, provides draft copies of the Plan before submission, accepts and incorporates citizen input and feedback, and holds special hearings whenever any substantial amendments are made.

The City also works in an on-going capacity with key non-profit organizations in encouraging the participation of the citizens they work with directly, including many of the low and moderate-income residents who are the primary targets of its HUD funded programs. Bi-lingual services are available for those who request them.

Additionally, the City works very closely with Cambridge's well-organized neighborhood groups in matters that have a particular interest and/or impact on a particular area or neighborhood. This relationship ensures maximum availability of City staff to the residents and ensures transparency of City policies and initiatives.

Public Meetings

The core of Cambridge's Citizen Participation Plan is the Public Meeting. The Community Development Department hosts a Public Meeting during each phase of the funding cycle, one in preparation for the Consolidated Plan and its annual update through the One-Year Action Plan, and one in conjunction with the City's preparation of the Consolidated Annual Performance Evaluation Report. These meetings give the residents an opportunity to comment on all aspects of the CDBG program's administration, as well as all substantial activities undertaken by the City. A Public Meeting is also held when any substantial amendments are made to the Consolidated Plan.

Public Meetings also play a central role in the work that is performed by the Housing, Community Planning and Economic Development Divisions. From the rehabilitation of parks, playgrounds and open spaces to the acquisition and creation of affordable housing, the City involves the residents during each substantial phase of the project.

Meetings are well publicized and are held at centrally located facilities that are safe and fully accessible. The locations are also accessible by public transportation and are held on mutually convenient days and times.

Public Meetings for CDBG, HOME & ESG Funding

For all Public Meetings concerning CDBG, HOME & ESG federal funding, the City runs two advertisements in the local newspapers, the Cambridge Chronicle. These advertisements run two weeks prior to the meeting. Advertisements for the availability of draft and final Plans will run one week prior to that event. The City's website also gives advance notice of all Public Meetings two weeks prior to the meetings' occurrence. Additional attempts are also made to include core beneficiaries of City programs and services and those residents who might be more acutely affected by the Meeting's topic and purpose.

Access to Information

The City has all Consolidated Plan, Annual Action Plan and Consolidated Annual Reports available on its website in a manner convenient for on-line viewing, downloading and printing. Draft versions of all Plans are made available before they are submitted for citizens, public agencies and other interested parties to view and comment upon. Copies of final and draft Reports are available for no fee at the City's planning office. Additionally, information that applies to these reports and the City's work in general is available. Requests for access to specific information must be made in advance and coordinated with City personnel.

The City's staff also makes themselves available to persons or interested parties who require technical assistance in understanding the Plan, the preparation of comments and the preparation for requests of funding. This availability and responsiveness is also employed in handling and responding to whatever reasonable complaints are made concerning the Plan and its undertakings.

Anti-displacement

The City makes all efforts to avoid the displacement of any residents and has succeeded in that goal. If such an instance should occur in the future the City would utilize their existing housing capacity and infrastructure in conjunction with the key non-profit housing organizations to solve any extant issue immediately. The City successfully conducts temporary relocation in certain cases and therefore has a method in place and experience in similar activities.

Substantial Amendments

Should any substantial change to the stated Objectives of the Consolidated Plan become imminent, the City will involve the residents through its above described methods and practices. Such substantial changes would be understood as being new activities the City would undertake within a reporting cycle and does not include expected and actual changes to Goals as they relate to external factors and unexpected changes in available resources.

City Council's Goals and Objectives

The City adheres to the overall goals established by the City Council in conjunction with extensive resident collaboration. The goals are the product of an in-depth bi-annual process that the City Council has followed since 1996. The Government Operations and Rules Committee is charged with overseeing the goal setting process for the Council.

Guiding Principles

- **Accessible:** We make it safe and easy for people to get where they need to go, for work and play.
- **Deliberate:** We plan for the future so that we're ready for its opportunities and challenges.
- **Diverse:** We make room for a mix of people to feel welcome and at home here.
- **Efficient:** We get the work of government done smoothly, in a transparent, collaborative, and fiscally responsible manner.
- **Equitable:** We treat each other fairly and without bias; we respond to the humanity we recognize in each other.
- **Innovative:** We support the people and institutions that are inventing new ways to make life better.
- **Navigable:** We make it easy for people to find their way to the city services they need, so all our residents can figure out how to "make the system work" for them.
- **Neighborly:** We strive to connect to the people around us; we pitch in to help each other out.
- **Resilient:** We take careful steps now to leave a better world for the generations to come.
- **Rooted:** We preserve the feel of a deep history that runs under our city.

City Council Goals

- **Goal 1:** Increase access to affordable housing for all income groups.
- **Goal 2:** Ensure that Cambridge offers economic and educational opportunity to all.
- **Goal 3:** Deepen our commitment to sustainable use of energy and strengthen our capacity for resilience.
- **Goal 4:** Expand and deepen community engagement.
- **Goal 5:** Develop more proactive, inclusive, and transparent city planning process.

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- **Goal 6:** Make it easy to move safely through the City, especially by sustainable modes of transportation.
- **Goal 7:** Increase opportunities for all residents to enjoy the City's open spaces.
- **Goal 8:** Ensure that Cambridge remains an Innovation Hub that integrates businesses of all sizes into a thriving ecosystem.
- **Goal 9:** Improve Council's capacity to collaborate more effectively, make better decisions, and increase its accountability to the public.
- **Goal 10:** Ensure City's budget allocates resources responsibly and responsively.
- **Goal 11:** Ensure Public Safety efforts reflect current and emerging challenges and opportunities in a way that incorporates Cambridge's core values.
- **Goal 12:** Eliminate Bias within the City workplace and wider community.

Comments Received

Institutional Structure

Actions to Further Develop Institutional Structure

Cambridge will continue its efforts in FY2020 to further develop the City's institutional structure to support its ongoing commitment to affordable housing, community services and a healthy economic base.

With property prices remaining out of reach for low and moderate-income residents in Cambridge, the gap between available resources and outstanding need remains. There is an increased need for federal funds for housing activities of all types including preserving affordability of units with expiring use restrictions, new affordable rental and homeownership housing, and housing for special needs populations.

Cambridge will work to reduce the gap in resources by aggressively seeking out additional federal, state and private resources to support its affordable housing priorities. The City will work to eliminate any regulatory gaps by working with federal and other agencies to identify problems and, where appropriate, to seek refinements or waivers of regulations that impede efficient affordable housing production.

Cambridge will continue its outreach to residents, businesses and organizations through community meetings, regular outreach events to assist residents in accessing affordable housing, and various public forums through the annual Consolidated Plan process.

Please also see the Cambridge Housing Authority "Moving to Work" Annual Plan at <http://www.cambridge-housing.org/>

Enhance Coordination

Cambridge will work to enhance coordination between public and assisted housing providers as well as private and governmental health, mental health and service agencies. This will be accomplished using both formal and informal networks that bring together public, private and nonprofit housing and service providers. These include groups such as the Cambridge Affordable Housing Trust, which includes representatives from the Cambridge Housing Authority, non-profit agencies, and the City.

One approach to coordinating services is through contracts for program delivery. In FY2019, the City will provide more than \$XX million in funding to nonprofit housing agencies for the operation of housing programs. This continuation of this long-established relationship in FY13 allows for stability, continuity, and predictability for no-profit housing agencies operating City-funded programs, while non-profit staff are available to assist City staff with policy and program development.

Cambridge has a number of successful groups and committees that currently work together to provide an effective delivery system for affordable housing production and services throughout the City. A variety of organizations, including the City's Community Development Department, the City's Department of Human Service Programs, the Cambridge Housing Authority, and nonprofit agencies, routinely collaborate on projects and participate in network meetings.

Since 1995, the Affordable Housing Development Working Group has been meeting regularly to coordinate affordable housing development projects throughout the City and share best practices. This group is made up of staff from the Community Development Department, the Cambridge Housing Authority, Just A Start Corporation, Homeowner's Rehab, Inc. and Cascap, Inc. Recently the group has assisted the City in developing principles for its Affordable Green Housing Development Initiative.

Affordable Housing

SPECIFIC HOUSING OBJECTIVES

Objective #1: Create new affordable rental units that are targeted for extremely low, low and moderate-income families and individuals.

The City of Cambridge supports the creation of new affordable rental opportunities throughout the city. New affordable rental housing opportunities may be created through: new construction, the acquisition and conversion of non-residential structures to affordable housing, the acquisition and conversion of market-rate rental housing to affordable housing, and through the City's Inclusionary Housing Program. Due to the high levels of public investment required for acquisition and development of new affordable units, non-profit ownership is a key part of this strategy as is the use of long-term deed restrictions to ensure affordability.

As rents have risen steadily during the previous ten years and have remained well beyond the reach of families earning at or below 80% of AMI (\$1,995 for a two-bedroom unit in 2005 to \$2,750 in 2015 according to Zillow.com data), a key goal of the City remains ensuring access to affordable units where low and moderate-income households, particularly families with children, can remain in the community paying rents that are affordable to them.

AP 35 Estimate

During fiscal year 2020 the City of Cambridge will work to create XX new affordable rental units.

AP 35 Activity for Rental

During fiscal year 2019 the City of Cambridge will work to create or manage new affordable rental units. New units will be created through development of new affordable units, and creation of units required under the Inclusionary Zoning Ordinance. Although the CDBG and HOME programs allow assistance to households with annual incomes up to 80% of area median income, a substantial proportion of rental units assisted will be rented to tenants with incomes at or below 60% of area median. The availability of additional rental assistance such as Housing Choice (Section 8) Vouchers will be essential in working toward this goal. With high acquisition, construction, and development costs, it is difficult to create new housing in this housing market and ensure that it be affordable to low and moderate-income households. The past reductions and potential future cuts to federal programs such as CDBG and HOME greatly increase this difficulty of creating new affordable housing.

Objective #2: Increase affordable homeownership opportunities for first-time low and moderate-income buyers.

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Currently, a household annual income of more than \$125,000 is needed to support the \$575,000 median price of a condo in Cambridge. Prices have risen significantly as the housing market rebounds and Cambridge continues to be in high demand. Market rents continue to increase and mortgage rates remain near historic lows, keeping homeownership a more affordable option for higher income earners who are able to.

City support for first-time homebuyer programs includes homebuyer education and counseling services, the Homebuyer Financial Assistance program, HOME and CDBG funding for downpayment and closing cost assistance, assistance with accessing low cost mortgages (for example, the OneMortgage Loan Program). The City also allocates substantial resources to the non-profit development of limited equity condominium units for first time buyers when sites for such projects are obtainable, and assists owners of deed restricted homeownership units in selling their homes to eligible new buyers and ensuring those homes are in good condition and affordable to buyers at appropriate income levels.

The pool of potential low and moderate-income first-time homebuyers in Cambridge continues to be strong, however, recent trends have affected some potential buyers. Access to credit remains an issue for many potential buyers, with banks using stricter lending standards in response to the credit crisis and recession. In recent years the City has offered an unprecedented number of homeownership units to first-time homebuyers, however, only those with the best credit scores have access to mortgage financing. Access to responsible mortgage financing will remain an issue for many buyers with past credit issues.

AP 35 Estimate

During the fiscal year 2019, the City of Cambridge will work to assist XX homebuyers in purchasing affordable homeownership units.

AP 35 Activity for Homeownership

During the Fiscal Year 2020, Cambridge will work to assist homebuyers in purchasing affordable homeownership units. New buyers will be served by units created by new non-profit development of affordable units, creation of units required under the Inclusionary Zoning Ordinance, the Financial Assistance Program, and resale of affordable limited equity units to new homebuyers. The majority of first-time homebuyers assisted will have annual incomes between 50-80% of area median income. Although there is no restriction on assisting buyers with lower incomes, it is more difficult for those households to obtain mortgage financing. Further cuts to federal programs such as CDBG and HOME, which the City has used successfully to create affordable homeownership units, will make it more difficult to create new units affordable to low and moderate income households in this high-cost housing market. The fact that future cuts to federal programs are unknown in scope, greatly increases the difficulty that the City has in planning for and implementing projects that will create affordable homeownership units. The City will continue to offer assistance to middle-income homebuyers with non-federal funding.

Objective #3: Preserve affordable rental housing opportunities, and enhance access for extremely low, low and moderate-income renters.

Supporting the long term viability of public housing, privately-owned affordable housing, and non-profit owned affordable housing, is a major component of Cambridge's work to maintain the existing affordable stock.

Given the challenges of creating new affordable housing in Cambridge, the need to maintain existing affordable opportunities is critical. Maintaining the stock of affordable rental housing in Cambridge has

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long been a priority of the City and remains a key housing goal. While the City has had substantial success in recent years in preserving housing that had been at risk, many existing affordable units remain at risk due to expiring affordability restrictions, reductions in available subsidies for operating support, or needs for capital reinvestment to ensure the continued viability of buildings. The City will work closely with the Cambridge Housing Authority, non-profit owners, and private owners to ensure affordable housing units remain viable and available, and will continue to work closely with and support the CHA as it works to preserve the viability of its own underfunded public housing developments.

The City supports the preservation of privately-owned affordable rental housing by both working directly with private owners and by helping non-profit organizations to preserve affordability through acquisition. Given Cambridge's desirability, buildings with expiring use restrictions are at high risk for market-rate conversion without the intervention by the City and other stakeholders to preserve this housing. The City remains committed to working with owners, tenants, and stakeholders to preserve affordability wherever possible, including providing City assistance to ensure long-term affordability.

AP 35 Estimate

During FY2020, the City will work to preserve the affordability and viability of XXX currently affordable rental units. Although the CDBG and HOME programs allow assistance to households with annual incomes up to 80% of area median income, a substantial proportion of rental units assisted will be rented to tenants with incomes at or below 60% of area median income.

AP 35 Activity for Preservation

During the Fiscal Year 2019, the City will work to preserve the affordability and viability of affordable rental units. This goal will be accomplished through a combination of activities including non-profit acquisition of existing affordable units, revitalization of affordable housing in need of reinvestment, preservation of affordability of housing with expiring use restrictions, and rehab assistance for owners of multi-family properties. The City will also work to purchase existing rental housing that, while not subject to regulatory agreements, has historically been an affordable resource for lower-income families to ensure its continued affordability and expand the City's stock of restricted affordable rental housing.

Although the CDBG and HOME programs allow assistance to households with annual incomes up to 80% of area median income, a substantial proportion of rental units assisted will be rented to tenants with incomes at or below 60% of area median income. Further cuts to federal programs such as CDBG and HOME will impact the City's ability to achieve its objectives. The availability of rental assistance will also be essential in working in achieving this goal.

Objective #4: Stabilize one to four-family buildings occupied by extremely low, low and moderate-income households.

Cambridge strives to stabilize owner-occupied one- to four-family buildings owned by extremely low, low- and moderate-income households; encourage investment in the existing housing stock; and preserve the rental units in two-, three-, and four-unit buildings that have traditionally been more affordable.

In Cambridge, many low-income owners, particularly the elderly and single person households, are unable to make significant and necessary repairs in their units because they lack access to the capital or the skills to oversee rehabilitation. The Home Improvement Program (HIP) offers affordable loans and technical assistance to owner-occupants of one- to four unit properties, which encourages stability and reinvestment in the housing stock. The program also provides a resource for homeowners who may be at

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risk of foreclosure, and can assist homeowners with analyzing refinancing options and available resources to assist in stabilizing their housing costs.

With high housing payments, many low- and moderate income owners are not able to pay for or finance necessary improvements to their homes. Some owner-occupied units, especially those occupied by low- and moderate-income owners, are substandard, with unaddressed health and safety code violations after years of deferred maintenance. Tenants in small rental buildings often live with similar conditions, and property owners may be reluctant to invest in these units without raising rents to recoup their investments. Of units with these conditions, most are suitable for rehabilitation.

The costs of owning and maintaining small properties have increased in recent years. Providing incentives and assistance for owners to reinvest in this traditionally affordable housing stock without having to raise rents to unaffordable levels will assist in the continued availability of this important housing resource, and give owners choice in how they reinvest in their properties while preserving tenancies of low and moderate-income tenants.

AP 35 Estimate

During the fiscal year 2020, the City of Cambridge will work to preserve and stabilize occupancy for XX units.

AP 35 Activity for Rental

During the Fiscal Year 2019, the City of Cambridge will work to preserve and stabilize occupancy through the rehabilitation of one to four family buildings. The incomes of households assisted will vary fairly equally across extremely low, low, and moderate income. Also although this program does not fund tenants, it will help to preserve existing affordable rental units and in some cases create affordable rental units from units that were previously vacant.

HOME Investment Partnership Program

HOME Funds Recapture /Resale Policy

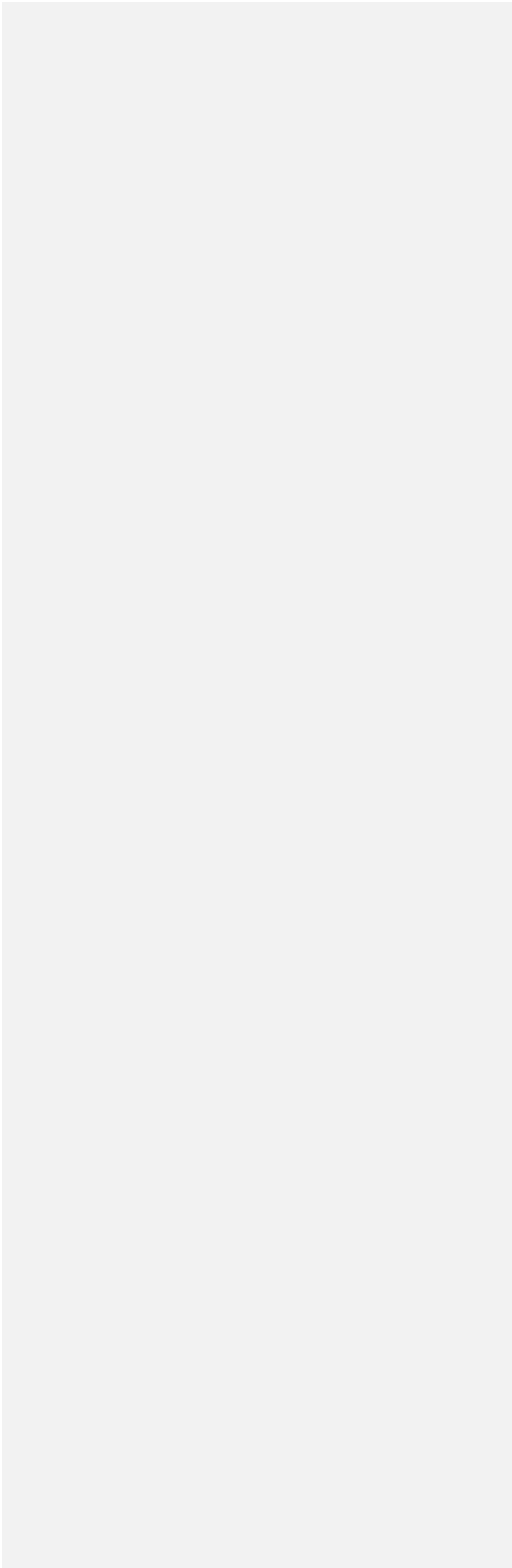
Affordable homeownership units that are funded with HOME funds are subject to residency requirements and long-term restrictions limiting the future resale of the property. HOME allows two options for controlling the resale of the homebuyer property during the affordability period: the recapture option and the resale option.

The City of Cambridge uses the resale option for homebuyer units developed with HOME funds. Under the City’s resale restriction, an owner’s resale price is based on the original purchase price plus an annual return on the owner’s equity plus the cost of eligible capital improvements. The return on equity is based on the interest rate of thirty year bond obligations of the United States Treasury. Any HOME units sold within the HOME affordability period, must be resold to another eligible household for no more than the above calculated resale price. During the HOME affordability period, the unit must remain affordable to homebuyers earning less than 80 percent of area medium income. The affordability is ensured by a a covenant running with the land.

The City also uses HOME funds to provide downpayment and closing cost assistance to eligible buyers. When assisting buyers who are not purchasing units that are otherwise assisted with HOME funds (i.e. those created with HOME development subsidy), the City uses the recapture option. Under terms of the City’s recapture policy, funds are forgiven on a pro-rata basis over 5 years

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provided the buyer remains an owner-occupant. If the unit is resold within five years, any funds that have not been forgiven must be repaid. The repayment amount, however, cannot be greater than the net proceeds of the sale.



PUBLIC SERVICE OBJECTIVES

At the time of writing, the City of Cambridge’s FY2019 CDBG allocation had yet to be announced by HUD. The City of Cambridge Department of Human Service Programs (DHSP) received a funding cut from HUD for its Community Development Block Grant (CDBG) public service grant for FY2019. The City of Cambridge Department of Human Service Programs (DHSP), in conjunction with the Human Services Commission, its nine-person advisory commission, will conduct a formal process for the FY2019 CDBG grant cycle, whereby only existing, satisfactorily-performing subrecipients will be invited to renew their FY2018 award. We anticipate that after reviewing the applications, food insecurity, services for the elderly and individuals with disabilities, homelessness and homelessness prevention legal services, services for youth, services for survivors of domestic violence, youth employment and life skills, and services for linguistic minorities will once again be prioritized.

If the City’s CDBG allocation allows for funding beyond FY2018 levels, DHSP and the Human Services Commission intend to hold a formal process whereby existing, satisfactorily-performing CDBG subrecipients will be invited to apply for this additional funding in support of their current CDBG-funded program or to address a particular unmet need in the community. We anticipate the funding to be allocated entirely to one agency or divided among two or more applicants. With support from the Human Services Commission, funding decisions will take into consideration the strength of applications, a determination of need, program capacity to carry out the project, information gathered through quarterly reporting and monitoring visits, as well as the overall balance of programs funded through CDBG dollars.

DHSP’s oversight of projects funded through the CDBG program will include monthly or quarterly fiscal reviews, collection and review of quarterly reports, ongoing communication with program staff, and/or onsite monitoring. Selection of projects for onsite monitoring will be based on a risk assessment tool. Risk factors will include (but are not limited to) changes in program staff, shift in scope of services, eligibility of expenditures, and accuracy and timeliness of billing.

The narrative below takes into account both this renewal process and the City’s ongoing working relationship with various community-based organizations that have been CDBG recipients over the years. Anticipated numbers of individuals to be served are based on individual program target outputs and anticipated continued HUD funding.

OVERARCHING GOAL (WHICH ENCOMPASSES ALL 7 OF THE FOLLOWING OBJECTIVES): TO IMPROVE THE OVERALL QUALITY OF LIFE FOR LOW INCOME CAMBRIDGE RESIDENTS BY CREATING AND COORDINATING PUBLIC SERVICES.

With continuing funding from HUD in FY2019, the City of Cambridge anticipates providing services to approximately 6,500 low and low-moderate income individuals and families through its 19 current CDBG-funded public service grants.

Expected Resources:

Community Development Block Grants and local property taxes.

Objective #1:

To support services providing emergency food to families and individuals facing food insecurity.

With continuing funding from HUD in FY2019, the City of Cambridge anticipates providing services to approximately 3,950 low and low-moderate income individuals and families experiencing food insecurity.

Expected Resources:

Community Development Block Grants and local property taxes.

Services:

Commented [PM1]: Includes 4 non-competitive grants: COA, MSC, OWD/JAS-PLC, and OWD/JAS-TW

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Through a combination of Community Development Block Grants and Property Taxes, DHSP anticipates contracting with the following agencies to provide services to individuals and families experiencing food insecurity:

- The Margaret Fuller Neighborhood House and the East End House will continue to enhance the quality of lives of residents in The Port and East Cambridge by providing essential emergency food; and
- Food For Free will continue to rescue and deliver approximately 624,000 pounds of fresh produce, rescued foods, and canned goods to 66 Cambridge food assistance programs such as food pantries, meal programs, youth programs, and shelters

Objective #2:

To support services for senior citizens and persons with disabilities residing in Cambridge.

With continuing funding from HUD in FY2019, the City of Cambridge plans to provide supportive services to approximately 520 elders and individuals with disabilities through a variety of public service grants.

Expected Resources:

Community Development Block Grants and local property taxes

Services:

Through a combination of Community Development Block Grants and property taxes, the City anticipates the following agencies will be contracted to provide services targeting the elderly and individuals with disabilities:

- SCM Community Transportation will continue to provide medical transportation and nutritional shopping trips to seniors and persons with disabilities while promoting access to essential community services;
- Food For Free will provide monthly home deliveries of at least 40 pounds of food to low-income, housebound, elderly and/or disabled Cambridge residents; and
- The Council on Aging's Grandet en Aksyon (Elders in Action) program will provide weekly support groups for low-income Haitian Elders residing in Cambridge, through which they will gain access to meals, medical information and medical screening, ESL Literacy skills, and recreational activities, resulting in a decrease in social isolation, improved access to health information and other essential services, and an increase in literacy skills and confidence

Objective #3:

To offer legal support and services to public & private housing tenants in eviction cases; to support individuals experiencing homelessness, or at risk of becoming homeless.

During FY2019, the City of Cambridge anticipates providing vital legal services to approximately 60 low-moderate income individuals and families at risk of becoming homeless; securing shelter for 160 low-income residents who are homeless or at risk of homelessness; and providing emergency services to approximately 950 individuals experiencing chronic homelessness.

Expected Resources:

Community Development Block Grants and local property taxes

Services:

Through a combination of the Community Development Block Grant and property taxes, DHSP anticipates the following agencies will be contracted to provide services targeting residents experiencing homelessness or at risk of becoming homeless:

- The Community Legal Services & Counseling Center (CLSACC) will provide legal counsel and representation to public/private housing tenants facing eviction;

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- CLSACC will provide representation of public and subsidized housing tenants and applicants for subsidized housing at administrative appeals;
- CLSACC will conduct community outreach and consultation to community organizations and advocates on landlord/tenant housing law issues;
- CLSACC will engage in recruitment, training, and ongoing supervision of volunteer attorneys on landlord/tenant law, trial/administrative practice, and public/subsidized housing issues;
- The Multi-Service Center's Homeless Services program will secure shelter for Cambridge residents who are homeless or at risk of homelessness through the provision of a wide range of services that primarily includes: assessment and case management, information and referral, and counseling and support services; and
- CASPAR's Emergency Services Center and Shelter will continue to work with chronically homeless adults with history of mental health and alcohol and substance abuse; Provide ongoing case management, medical and mental health care at an on-site clinic and adjust treatment plans as needed to individuals experiencing chronic homelessness, alcohol and substance abuse; Identify and support participants ready to transition into a more stable sober environment, such as independent living housing, halfway housing, and/or sober shelters, and employment

Objective #4:

To offer age-appropriate services to disadvantaged and underserved youths and infants.

With continuing funding from HUD in FY2019, the City of Cambridge plans to provide supportive services to approximately 279 low and low-moderate income youths and infants through a variety of public service grants.

Expected Resources:

Community Development Block Grants and local property taxes

Services:

Through a combination of Community Development Block Grants and property taxes, DHSP anticipates contracting with the following agencies to provide services targeting low and low-moderate income youths and their families:

- The Cambridge Camping Association will run a summer camp program and transportation for youth with emotional/behavioral special needs, while also providing individual counseling, and information and referral to other supportive services; and
- The Guidance Center will continue to provide bilingual/bicultural early intervention services to young families with infants: Outreach and support to assist linguistic minority families with infants in accessing early intervention services; Comprehensive developmental assessment and specialized therapeutic intervention services provided largely by staff who speak the native language of the family; Case management and individual family service planning and weekly home visits; Access to parent-child groups at community sites and transportation services; And ongoing hiring, training, and supervision of bilingual/bicultural Early Intervention Specialists

Objective #5:

To support domestic violence and abuse prevention and treatment for adults and youth survivors of domestic violence.

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With continuing funding from HUD in FY2019, the City of Cambridge anticipates providing domestic violence-related services to approximately 52 low-moderate income adults and children through a variety of public service grants.

Expected Resources:

Community Development Block Grants and local property taxes

Services:

Through a combination of Community Development Block Grants and property taxes, DHSP anticipates contracting with Greater Boston Legal Services/Cambridge & Somerville Legal Services, and Community Legal Services & Counseling Center to provide the following services to survivors of domestic violence:

- Legal counsel and representation in court in cases involving divorce, restraining orders, child support, child custody, paternity, and visitation rights;
- Individual and group counseling to address psychological symptoms associated with domestic violence, such as depression/anxiety/stress;
- Ongoing recruitment, training, and supervision of volunteer attorneys and mental health practitioners to work with survivors of domestic violence; and
- Working on citywide collaborative strategies aimed at making Cambridge a Domestic Violence-Free Zone

Objective #6:

To provide after-school and year-round employment programs including life skills and academic support to youths and young adults.

With continuing funding from HUD in FY2019, DHSP anticipates providing essential employment programs to approximately 317 low-moderate income Cambridge youth and young adults through a variety of public service grants.

Expected Resources:

Community Development Block Grants and local property taxes

Services:

Through a combination of Community Development Block Grants and property taxes, DHSP anticipates contracting with the following agencies to provide employment and life skills services to low-moderate income youth and young adults:

- The Cambridge Housing Authority will continue to provide an after-school life skills program, with emphasis on SAT preparation, college readiness, and employment coaching for youth residing in public housing developments; Provide academic support, high school equivalency/diploma and summer literacy camp; Provide after-school classroom-based instruction in job readiness and life skills; Arrange field trips to colleges and universities, provide assistance with college applications and financial aid applications, provide mentorship during college experience;
- The Just-A-Start Corporation will continue to offer job development and employment programs to disadvantaged high school students and out-of-school youth; Conduct outreach to the community and to the local private industry to support employment services to youth in Cambridge; Provide career

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awareness, job development, job search training, job placements in private/public sectors, job performance monitoring, and on-the-job-mentorship; and

- The Young People’s Project will provide training in science, technology, engineering, and math literacy, and meaningful employment opportunities that enrich high school teens’ lives while encouraging them to pursue higher education and become involved in their communities; Provide science, technology, engineering and math literacy worker training to high school youths, and present math literacy workshops to elementary students and families at various community centers

Objective #7:

To support services helping linguistic minorities access mainstream services and resources.

With continuing funding from HUD in FY2019, the City of Cambridge anticipates providing services to approximately 215 low and low-moderate income residents whose primary language is not English through a variety of public service grants.

Expected Resources:

Community Development Block Grants and local property taxes

Services:

Through a combination of Community Development Block Grants and property taxes, DHSP anticipates providing and contracting with local non-profit community organizations to provide services to approximately 215 low and low-moderate income residents whose primary language is not English through a variety of public service grants, which include the following:

- Cambridge residents who are immigrants will continue to access mainstream community resources with the support of the following community based agencies: Massachusetts Alliance of Portuguese Speakers and the Ethiopian Community Mutual Assistance Association;
- The Multi-Service Center’s Haitian Services Program will assist Haitian Creole-speaking Cambridge residents and other linguistic minorities with low and low-moderate income gain access to a variety of essential services and resources within the community;
- Information and referral, crisis intervention/prevention, interpretation/translation, counseling and other support services to immigrant individuals and families, including Portuguese-speaking, Haitian Creole-speaking, and Amharic-speaking populations and promote access to community services

ECONOMIC DEVELOPMENT DIVISION

Introduction & Overview

The Economic Development Division (EDD) of the Community Development Department is responsible for a wide range of economic development activities designed to meet the City’s

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need for a diversified and thriving economy. The Division offers programs aimed at revitalizing commercial districts, supporting entrepreneurship, promoting a dynamic business climate and preserving a strong employment base. EDD offers individual business development assistance to Cambridge residents as well as numerous programs designed to enhance the vitality of local businesses, including micro-enterprises, and encourage business growth within the City.

Objective #1:

To cultivate a supportive environment for income-eligible micro-enterprises, businesses and residents, with particular emphasis on small, women and minority-owned businesses.

Small Business Development

EDD will continue to support the City's small businesses, especially women and minority-owned businesses, by assisting them with marketing, networking, business management tools, e-commerce, loan packaging and exposure to a broader range of resources. EDD will continue to partner with non-profit organizations and other local contractors to provide pre-business and business development services for low and low-moderate income micro-enterprises and/or individuals and businesses located in the City's two NRS areas. Services will include workshops and individual business consultations.

The goal for FY2020 is to assist **170** NRS businesses, residents and eligible Cambridge micro-enterprises will participate in one or more of these training activities. The long-term outcome projections estimate that **XX** of the participants will start new ventures, and **XX** participants will grow their existing operations.

Objective #2:

Promote thriving commercial districts.

Commercial District Revitalization

The City is composed of six commercial districts: Kendall Square/East Cambridge, Central Square, Cambridge Street/Inman Square, Harvard Square, Porter Square/North Mass Avenue, and Fresh Pond. While each has its own character and appeal, all districts share common desirable elements: convenient shopping with a variety of desired goods and services for neighborhood residents, students and workers. The commercial districts each provide employment in retail establishments and office buildings.

EDD will continue its support of Cambridge retail businesses, especially income-eligible micro-enterprises and those located in the City's two Neighborhood Revitalization Strategy (NRS) areas by offering programs such as the Best Retail Practices Program, the Storefront Improvement Program, educational services, and support for businesses associations in commercial districts.

The goal for fiscal year 2020 is to provide **XX** retailers, all of whom will be NRS located or low and moderate-income micro-enterprises, with matching grants to improve and enhance their businesses. Anticipated outcomes include approximately 20% showing an 8% increase in sales revenue and 5-10% hiring new employees.

Strategies:

Business Enhancement Program: This program reaches out to Cambridge retailers and restaurant owners seeking to improve their establishments' interior design, marketing, advertising and operations. The goal of the program is to assist owners with technical and financial assistance to build a stronger customer base and boost sales. The program involved a two part program: part one, a free in-store consultation with a consultant specializing in marketing, interior design or retail/restaurant management and part two, and the opportunity for participants to apply for a matching grant program that funds pre-approved interior store improvements or marketing costs, up to \$1,999 per business. The program will also be highlighted in our best retail workshop in our business development workshops.

This program will continue to be offered to income-eligible micro-enterprises and those retailers located within, and serving residents of, the NRS areas. The program has provided services to over 500 businesses since the program began in fiscal year 2002, and 140 grants have been provided since fiscal year 2004, the first year of the grant program

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Retailer Interior Accessibility Program: Starting in FY2015, EDD began the interior accessibility program to target retailers, restaurateurs and service providers looking to make the interior of their business accessible to customers with disabilities. The program provides financial assistance to Cambridge businesses interested in improving their interior accessibility in conformance with ADA and AAB standards, such as path of travel inside the business, counter or dining access, looping aides and accessible bathrooms bathrooms. This new program will further assist our ground floor businesses in making certain their facilities meet the needs of all customers.

The goal for FY2020 is to support **xx businesses** in the Retailer Interior Accessibility Program.

Objective #3:

Support efforts to sustain a diverse array of employment opportunities accessible to Cambridge NRS residents for jobs in existing and emerging industries.

Workforce Development Assistance

The Economic Development Division will continue to support a broad range of job preparedness and economic empowerment programs for Cambridge residents. These programs will be targeted specifically to residents of the City's NRS areas.

The goal for FY2019 is to support **11** students (out of a class of 30) in Just-A-Start's Biomedical Careers Program

Strategies:

Just-A-Start Biomedical Career Program: This free nine-month certificate program provides academic and lab instruction to Cambridge NRS residents to prepare them for entry-level biotech jobs such as lab technicians, manufacturing technicians and animal care technicians at local life science companies, universities, research institutions, clinical laboratories and hospitals. Upon completion, participants receive assistance in resume writing and job placement, with up to 75% placed in entry-level jobs.

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Please submit all comments on the contents of this DRAFT to:

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