

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
May 22, 2014

Ackerman Room, City Hall  
795 Massachusetts Ave.

Trustees Present: Richard Rossi, Chair; Peter Daly, Michael Haran, Gwen Noyes, Cheryl-Ann Pizza-Zeoli, Susan Schlesinger, James Stockard, William Tibbs

Trustees Absent: Florrie Darwin

Staff Present: Brian Murphy, Assistant City Manager for Community Development; Chris Cotter, Housing Director, Cassie Arnaud, Housing Planner; Linda Prosnitz, Housing Planner; Donna Claudio, Associate Housing Planner

Others Present: Elaine DeRosa, James Williamson

The meeting was called to order at 4:00 pm.

Upon a motion moved and seconded, it was voted to approve the minutes from the April 24, 2014 meeting.

**PROJECT UPDATE**

**Jefferson Park State Public Housing** – The CHA received award of DHCD HILAPP funding and is now preparing for zoning process. Closing is expected in the fall.

**Putnam Square/2 Mt Auburn** – Work on early stage construction is underway; HRI is preparing for full construction closing in mid summer; request for permanent financing to be discussed with Trust at this meeting.

**131 Harvard Street/Port Landing** – Reapplied to DHCD for funding in the spring round.

**117 Rindge Ave.** – Construction is underway, with completion anticipated for summer 2014.

**Bishop Allen Apartments (aka Norstin)** – Just A Start is preparing for construction closing in early summer.

**Chapman Arms** – Construction is nearing completion.

**7 Temple Street** – Construction is underway with an anticipated completion in early 2015.

## New Business

### Putnam Square Apartments

Mr. Daly recused himself from discussion and left the room.

Staff presented Homeowner's Rehab Inc. (HRI) request for up to \$3,117,000 in permanent financing to complete the preservation and renovations of the Putnam Square Apartments. In May 2012 the Trust committed \$4,848,750 in acquisition financing for the acquisition and preservation of this 11 story, 94 unit affordable senior housing development at 2 Mt. Auburn Street. A zoning variance requires that the building be affordable to low income seniors. The building was owned by Harvard University and HRI bought it through the Chapter 40T process. HRI purchased the building in August 2013 and has since undertaken several capital improvements in the building, most significantly new boilers and elevators. HRI has also assembled the permanent financing for the larger renovation scope and preservation of all 94 units.

HRI has conducted a detailed capital needs assessment, held multiple meetings with residents, and incorporated resident feedback in to the final scope of work. The additional rehab work will include new windows, new kitchens and baths in some units, ADA accessibility improvements to 5 units, improvements to interior common spaces, and exterior repairs and site work.

In addition to the \$3,117,000 from the Trust, the City will also be providing \$535,000 in City HOME funds, bringing the total City/Trust contribution to \$3,652,000 or \$38,851 per unit. Other funding includes state CIPF/AHT funding, tax credit equity, first mortgage debt, cash flow, and CNAHS/sponsor funding. The total TDC is expected to be \$25,898,816 or \$275,520 per unit.

Upon a motion moved and seconded, and with Mr. Daly abstaining and not present for the discussion, it was:

VOTED: To approve HRI's request to convert the Trust's existing acquisition loan of \$4,848,750 to a reduced permanent loan of up to \$3,117,000 to rehab and preserve Putnam Square Apartments.

The funds should be made contingent on the following:

1. CDD staff approval of the final development and operating budgets.
2. CDD staff approval of construction plans and specifications.
3. Firm written commitments from all project funding sources.
4. CDD staff approval of the tenant selection and marketing plan.
5. Standard Trust terms and conditions, including but not limited to:
  - a) All 94 units will be subject to the City's standard Affordable Housing Covenant (AHC).
  - b) All 94 units will be restricted to households earning below 80% of Area Median Income as defined in the AHC.
  - c) All loans will have an interest rate of 2% compounding, or such other rate established in consultation with Low Income Housing Tax Credit syndicators or investors, as well as a rate to be applied only upon violation of the AHC.
  - d) The loan will be due and payable at the end of the term; however, the repayment date can be extended for an additional term upon approval by the Trust and extension of the affordability period.

## **Inclusionary Program Policies**

Staff informed the Trust that they are in the process of drafting a comprehensive manual of Inclusionary Rental Housing Program Policies for the Trust to consider. The Inclusionary Rental Program has grown significantly over the past three years with 575 rental units currently under Inclusionary Affordable Housing Covenants and more under review and in the pipeline. Over half these units have been put under Covenant in the last three years. In May 2010 the Rental Applicant Program (RAP) was implemented which created a single application process for all inclusionary units and enabled units to be filled from a rolling pool of applicants. Given the experience of the past few years, and the growth in size and complexity of the program, the staff has reevaluated many of the policies and guidelines of the program and will be recommending some new policies and some changes to existing policies. Some of the changes being discussed are: adding domestic violence as an emergency need; giving applicants some choice in selecting the area of the City in which they can view units; creating an appeal process; changing the policies on applicants who decline available units; treating studios the same as other units; and allowing interim recertifications in certain cases.

Staff discussed the process for reviewing the draft Policies and Guidelines. A draft document will be posted on-line and tenants, property managers, and advocates will be notified that the document is available for review. Public comment will be accepted for a specific period of time. These comments will then be discussed with the Trust and the Policies and Guidelines will be revised based on this discussion. The Trust will be asked to approve the final document. The Trust discussed this proposed review process and suggested additional programmatic and policy considerations, such as tightening up on emergency need definitions and providing access to housing for applicants coming from other housing programs.

## **Old Business**

### **Upcoming City Council Roundtable Meeting**

The Roundtable meeting on housing scheduled for June 23 has been postponed and will be rescheduled. A series of meetings will be scheduled to cover a range of housing topics including preservation, incentive zoning ordinance, inclusionary housing, and middle income housing. The possibility of forming subcommittees to prepare for the roundtable was discussed and should include the CHA. The format of the meetings and preparation of materials was also considered.

The meeting adjourned at 5:05 pm. The next meeting is scheduled for Thursday, May 22, 2014 at 4 p.m.

## **OTHER MATERIALS**

- Meeting Minutes from the Trust's April 24, 2014 meeting
- Project Update
- Putnam Square Apartments funding request
- Inclusionary Rental Program Policies