

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
February 26, 2015

City Manager's Office, City Hall
795 Massachusetts Ave.

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

Trustees Absent: Florrie Darwin, Gwen Noyes, Bill Tibbs

Staff Present: Iram Farooq, Acting Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Anna Dolmatch, Housing Planner; Linda Prosnitz, Housing Planner;

Others Present: Elaine DeRosa; Peter Graham; James Williamson

The meeting was called to order at 4:11 pm.

Upon a motion moved and seconded, it was voted to approve the minutes from the January 29, 2015 meeting. -

PROJECT UPDATE –

463 Cambridge Street - HRI is scheduled to close on the building on March 16.

Jefferson Park State Public Housing – The environmental review is complete. Closing is expected in the spring.

Putnam Square/2 Mt Auburn – Rehab continues and is more than 80 percent complete. Completion is anticipated in May 2015.

131 Harvard Street/Port Landing – Closing on tax credits and other financing sources is expected in May 2015.

Bishop Allen Apartments (aka Norstin) – The second building is complete. Work is beginning on the third building.

Chapman Arms – Work is complete. Cost certification is underway.

Temple Place Apartments – Construction is ongoing with anticipated completion in July 2015.

OLD BUSINESS

Briston Arms

Susan Schlesinger recused herself and left the room.

Staff gave an update on the preservation purchase of Briston Arms. Preservation of Affordable Housing (POAH) has been in discussions with the City as the financing structure of their purchase is changing. POAH is now looking at a different financing model with different funding sources and will be asking for additional funds from the Trust. Staff are working to understand the new financing structure and expect to bring a request from POAH for additional support for the purchase to the March Trust meeting.

Incentive Zoning Recommendation

Susan Schlesinger returned to the room.

Staff presented a draft set of recommendations from the Trust to the City Council based on previous discussions of the completed Incentive Zoning Nexus Study. The City Council Housing Committee is scheduled to discuss the Study's findings on March 19 at 5:30 p.m., and it would be helpful for Trust members to attend and give feedback.

Peter Daly stated that he liked the included recommendation that the Trust retain the authority to increase the Incentive Zoning rate by the annual increase in the Consumer Price Index (CPI). Susan Schlesinger commented that she thought the annual increase could be greater, and proposed recommending a starting rate in the \$10-12 range, with annual increases.

Trust members discussed an appropriate annual increase, with concerns that the annual increase in CPI was too low. Rich Rossi commented that any increase needs to be sustainable. Rich Rossi discussed the impact of the increase in project types subject to the Incentive Ordinance, and noted that this change will bring significant new revenue. If the rate is set too high and hinders development, the Ordinance will not be an effective way to generate funds for affordable housing. However, it is important to the Trust that there is a mechanism for an annual increase to the rate. Trust members discussed whether they might suggest an annual increase, and settled on a recommendation that there be an annual increase of \$1 in addition to any CPI adjustments. The Trust also strongly supported the recommendation that the study be updated every three years.

Trust members also discussed a housing creation option where in lieu of a monetary contribution, developers could provide additional affordable units in residential buildings. It was noted that it would usually be easier for developers to pay the cash than create additional affordable units. The Trust agreed that the provision needs to be discussed further. Trust members commented that it would be best for the Trust to retain flexibility to decide when taking units instead of a contribution made sense, noting that the size and type of the units would be important considerations.

Middle income housing was also discussed. The Trust determined that they did not want to incorporate specific middle income parameters into their recommendations, as it may limit flexibility going forward. The ongoing need for middle income housing was recognized, but the significant issues with subsidy and leveraging other resources remain. Trust members wanted to maintain flexibility in uses of incentive funds so the Trust could best respond to opportunities and current needs. The Trust agreed to continue to look at ways to support the creation of middle-income units; it was determined that discussion might be more relevant to the Inclusionary Housing study update.

Staff discussed the status of the middle-income units at the Alexandria project, previously discussed with the Trust and now under construction. There will be two tiers of set rents for the middle income units. While higher than the usual rents for Inclusionary units, the rents are still well below market. Trust members asked to see the rents and staff will provide them. Concerns were raised that these units would be occupied by roommates; staff assured the Trust that the usual preferences and occupancy requirements would apply and that the units would be filled through a City-administered application process.

Trust members will need to sign the letter outlining their recommendations for changes to the Incentive Zoning Ordinance based on the updated Nexus Study. Staff will revise the recommendations and circulate to Trust members for review and signature. Once it is complete, the Trust recommendations will be sent to the Housing Committee and other City Councilors.

At 4:50 p.m., the meeting adjourned. The next meeting is scheduled for Thursday, March 26, 2015 at 4 p.m.

OTHER MATERIALS

- Meeting Minutes from the Trust's January 29, 2014 meeting
- Project Update