

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
July 28, 2016

Ackerman Room, Cambridge City Hall  
795 Massachusetts Ave.

Trustees Present: Richard Rossi, Chair; Peter Daly, Florrie Darwin, Michael Haran, Cheryl-Ann Pizza-Zeoli, Susan Schlesinger; Bill Tibbs

Trustees Absent: Gwen Noyes, James Stockard

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

Other Attendees: James Williamson

The meeting was called to order at 4:19.

Upon a motion moved and seconded, it was

VOTED: To approve the minutes for the meeting of Wednesday, June 22, 2016, as submitted.

VOTED: To approve the minutes for the meeting of Thursday, June 23, 2016 as submitted.

**PROJECT UPDATE –**

**Porter Square** – The site was acquired and pre-development is underway.

**Concord Ave.** – The site was acquired and pre-development is underway.

**Briston Arms** – Renovation is ongoing and is on track for completion in summer 2016.

**463 Cambridge Street -** Closing on the DHCD funds and repayment of CAHT bridge loan expected in July.

**Jefferson Park State Public Housing** – Relocation and demolition are complete. Construction is underway.

**131 Harvard Street/Port Landing** – Applicant lottery was held on June 20. Occupancy is expected in the fall.

**NEW BUSINESS**

**Auburn Court I – Loan Restructuring**

Peter Daly left the room at 4:26 PM.

Staff presented a request for a restructuring of HRI's existing Trust debt on Auburn Court. The Trust provided HRI with \$250,000 in financing in 1995 for the construction of the first phase of Auburn Court. HRI is now refinancing Auburn Court 1 and will bring in new resources for needed capital work in the existing 77 residential units and also for the construction of 9 new affordable units on the site. The 9 new units will consist of a new 8 unit building and the conversion of an existing management office to residential use.

HRI is not requesting any new funding from the Trust or the City. They are requesting an amendment and extension to their existing Trust loan. HRI proposes the term be extended to 50 years from the date of refinance and that the interest rate be reduced from the current 9% compounding to 2.5% compounding. They are not requesting forgiveness of accrued interest, so the restated Trust loan will be approximately \$1,969,000 at closing. The closing is expected to occur in September.

Other loans will be similarly restructured – City's \$750,000 CDBG loan, CNAHS and HIF loans. CEDAC has agreed to forgive the accrued interest on the \$5,000 HIF loan and will have a 0% interest rate going forward.

Upon a motion moved and seconded, it was

VOTED: To approve the request to modify the Trust's existing \$250,000 loan to Homeowner's Rehab, Inc. for its Auburn Court I development, as follows:

- That the maturity date for the Loan be extended for 50 Years from closing, or such other period as may be required to be coterminous with the groundlease;
- That the interest rate be reduced to 2.25% annually compounding, or such other rate (as may be required by the investor), acceptable to Staff.

## **OTHER**

Staff reminded the Trust the CPA hearing is tonight.

The next Housing Committee meeting to discuss the Inclusionary Housing Study is August 15. Trust members discussed the ongoing process to assess inclusionary housing changes.

Trust members discussed several issues pertaining to the Inclusionary Housing Study. The idea of accepting less premium units in return for additional units was discussed. There was a consensus that it best not to move forward this recommendation from the study. There is uncertainty about how this recommendation would work and there is concern in the community about implementing this idea. Some residents are fearful that this may lead to clustering of affordable units in less favorable locations within a building. In addition, developers have said they would be willing to consider larger, but not more units, in exchange for fewer premium inclusionary units. There could be regulations and limits put in place to guide the implementation, but given the concerns and uncertain return, it is advisable not to pursue it at this point.

A question was raised as to whether three bedroom units could be required. This raises legal concerns. It is questionable whether it would be supportable to mandate the provision of three bedroom units in the ordinance. The provision of family sized units is a policy goal of the city. There is a particular need for three bedroom units since so few are being produced on the market. Incentives to encourage the provision of three-bedroom unit could be included in

the ordinance, such as the current recommendation, to allow an alternative inclusionary standard of providing 20% of square feet, instead of 20% of units, if additional three bedroom units are created.

Trust members also discussed briefly phasing in the new requirements over time.

The meeting adjourned at 5:05 p.m. The next meeting is scheduled for August 24, 2016 at 4:00 p.m.

- Meeting Minutes from the Trust's June 22 and June 23 meetings
- Project Update
- Memorandum on Auburn Court I – loan restructuring