

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
May 23, 2019

Ackerman Room, Cambridge City Hall
795 Massachusetts Ave.

Trustees Present: Louis DePasquale, Chair; Peter Daly, Gwen Noyes, James Stockard, Elaine Thorne, Bill Tibbs

Trustees Absent: Florrie Darwin, Susan Schlesinger

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

Others Present: Councillor Jan Devereux, Elaine DeRosa, Dennis Friedler, Lisa Jacobson, James Williamson

The meeting was called to order at 4:09 with the

Upon a motion moved and seconded, it was voted unanimously, by roll call: To approve the minutes for the meeting of Thursday, March 28, 2019.

PROJECT UPDATE

Squirrelwood – Just-A-Start held a ground breaking on May 9. Construction will begin soon.

Frost Terrace – Capstone/Hope is preparing to close in the next couple of weeks.

Concord Highlands – Construction is ongoing and moving along quickly. It is expected to be complete in early 2020.

Homebridge – There are more Homebridge units underway. Trust had questions about Homebridge units. Staff explained these are units on the market which the buyers find themselves. A couple of the units funded through Homebridge were three-bedroom units in the Highlands where the prices were reduced. Staff explained Homebridge enables affordable ownership units to be in areas where affordable units are not usually located. The buyers are pre-approved and are like developers – they seek the units. These units are permanently affordable with the same restrictions as other affordable homeownership units.

Inclusionary – The Covenant for the next phase of the Alexandria PUD is close to approval. Several new projects are being reviewed.

NEW BUSINESS

Guidelines for Trust Funding for Resident-Owned Affordable Housing

During the Trust discussion in March of funding for the Parkview Cooperative, the Trust requested that staff develop guidelines for evaluating future funding of resident-owned affordable housing. The guidelines were initially thought to apply to limited equity coops, but upon further consideration, the guidelines were developed which can apply more broadly, to both limited equity cooperatives and 100% affordable ownership projects. The goal of the guidelines is to provide a framework for the Trust to evaluate funding requests. Terms and conditions will be customized for each request.

Bill Tibbs had a question about the long-term management and maintenance of these buildings. Staff described that the deed restriction contains language requiring maintenance of the building. CDD conducts periodic inspections. The staff keeps in touch with the associations to be sure they understand the restrictions and their responsibilities.

In terms of affordability, for non-profit developed buildings, initially the buyer must meet income restrictions. There is no evaluation of their income once a unit is purchased. When a unit is resold, the new buyer must meet income guidelines and the resale price is affordable. For cooperatives, the coop develops a marketing plan which staff reviews and approves. The coop selects the member/buyer according to the marketing plan and the CDD oversees the process.

There are about a half dozen cooperatives in the City. A couple of them use outside managers; others are self-managed. One of the criteria suggested to be used when reviewing requests is for the Trust to consider how the properties have been managed. The Trust wanted to know if the City could provide assistance to the coops to help them manage the properties. Staff suggested a training might be provided. The Trust discussed why these properties qualify for assistance since they are resident-owned. They are assisted since they provide housing with long term affordability requirements and were established with assistance from City staff. Staff also noted that any housing assisted with funding would be required to enter into or renew affordability restrictions as required by the Trust.

Trust members asked that a criterion be added to the guidelines on City assistance – adding that one of the guidelines be that the City provided financial, technical, or other programmatic support to create the housing. The guidelines draft developed by staff will be updated by adding this provision.

Upon a motion, moved, and seconded it was VOTED:

To approve the Guidelines for Trust Funding for Resident-Owned Affordable Housing prepared by staff as amended pursuant to the Trust discussion noted above.

Updates

The funding for the Trust was discussed. Increased funding is coming from the city budget. There is expectation that CPA funds will also increase so that the total amount of Trust funds in FY2020 will exceed \$20 million. Contributions from incentive zoning are also increasing due to the increased rate and active development.

The event for the 30-year anniversary of the Trust is next week on May 30th at Auburn Court. Invitations have been sent and a program is being assembled. The Trust report is being finalized and will be distributed at the meeting. Iram Farooq suggested that members of the Trust write letters to future members of the Trust, and that they could then saved by the City for opening at a future anniversary.

Annual Contracts

Peter Daly left the room at 4:52PM

Trust funds are requested to fund annual contracts for housing preservation and development; homeownership management software; CDD staffing; and legal services and administrative costs. HRI and Just-A-Start have received Trust support for housing development and preservation since FY2016. Every two to three years HRI and Just-A-Start receives fees from development activities. The Trust discussed the balance of support between fees and Trust funds. Staff funded by Trust funds are one full time staff working on preservation and development and one intern.

Jim Stockard left at 4:59PM.

Upon a motion moved and seconded, by unanimous roll call, it was

VOTED: to approve Trust funding requests of:

Non-profit Housing Preservation & Development	\$ 445,115
Homeownership Software	\$ 9,000
CDD Staffing	\$ 140,000
Legal Services	\$ 14,000
<u>Miscellaneous/Administrative</u>	<u>\$ 7,500</u>
TOTAL	\$ 615,615

ADJOURNMENT

Upon a motion moved and seconded, by unanimous roll call, it was voted to adjourn the meeting at 5:00 p.m. The next meeting date is Thursday, June 27, 2019.

Materials:

- Guidelines for Trust Funding for Resident-Owned Affordable Housing
- Appropriations for Annual Contract Funds
- Meeting Minutes from the Trust's March 28, 2019 meeting
- Project Update