

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
September 22, 2022 at 4:00 p.m.

Conducted virtually via Zoom

- Trustees Present via Zoom: Yi-An Huang, Chair, Peter Daly, Elaine DeRosa, Florrie Darwin, Gwen Noyes, Susan Schlesinger, Jim Stockard, Bill Tibbs
- Trustees Absent: Elaine Thorne
- Staff Present via Zoom: Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Senior Housing Planner; Anna Dolmatch, Homeownership Program Manager; Antonia Finley, Housing Planner; Janet Haines, Housing Planner; Emily Salomon, Associate Housing Planner; Marlees West, Community Engagement Manager
- Others Present via Zoom: Shahenaz Africawala, Emily Belanger, Janice Green, Merrie Haile, Alysha Hearn, Pam Howard, Jeffrey King, Ramesh Koirala, Hailey Kroll, Olinda Marshall, Urszula Masny-Latos, Diego Matho, Margaret McPartland, Vaibhav Pai, Elisa Pepe, Ethan Sobel, Taheera Steele, Sarah Vincent, James Williamson

Chris Cotter called the meeting to order at 4:05 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust would be held virtually pursuant to the temporary emergency orders currently in place, that all votes would be taken by roll call, and that there would be no public comment. Mr. Cotter introduced the new City Manager Yi-An to Trust members and the coordinated to confirm that each participant was audible to each of the other Trust members. During the confirmation, each member introduced themselves to the City Manager.

#### **MEETING MINUTES**

Upon a motion moved and seconded, by roll call of eight in favor and one absent (Ms. Thorne) to approve the minutes for the meeting of Thursday, August 25, 2022.

#### **UPDATE FROM CDD**

**HomeBridge:** Six buyers have active commitments, one home closed this month, and two homes are under agreement.

**Homeownership Resale Program:** Five units are under agreement. Fewer than twenty units are in process.

**2072 Mass Ave.:** The Capstone/Hope team withdrew their request for a comprehensive permit at the September 2021 BZA hearing but remain committed to creating affordable housing at this site. The developers are assessing their next steps and options.

**Park View Cooperative:** Staff are in final discussion with Cooperative residents in preparing to close on the loan commitment, which is expected in the next month. The Cooperative is planning for construction to begin in early winter 2023.

**Fresh Pond Apartments:** Staff are in the final phase of implementing the preservation of Fresh Pond Apartments. The Cambridge Housing Authority has notified residents about creating new project-based voucher units, which would lower rents for currently cost-burdened households.

**Rindge Commons Phase 1:** Construction of Phase 1 has begun, which will include 24 new rental units, JAS program space and space for City-sponsored pre-kindergarten classrooms. The final loan amount is less than what Trust committed due to JAS getting funding from other sources.

**Broadway Park:** JAS has had several community meetings to review its development proposal and is assessing financing and permitting options for this development.

**35 Harvey Street:** HRI is preparing to renovate this property from SROs to studio apartments. DHCD funding award was announced in July, and HRI is in the process of assembling the remaining financing needed with a goal of beginning construction later this year.

**1627 Mass Ave.:** HRI purchased this property from Lesley University to create affordable housing in August. In September, they hosted their first meeting to formally introduce project as an overlay proposal.

**35 Cherry St.:** In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. The City will begin the process of selecting an affordable housing developer in the coming months through an RFP process. The City will share the RFP with the Trust at an upcoming meeting prior to the selection process.

#### **AFFORDABLE HOUSING OVERLAY (AHO) UPDATES**

**52 New St:** The Affordable Housing Overlay process is complete. JAS completed its second advisory design consultation with the Planning Board in January 2021. The Planning Board issued the final Planning Board advisory design review report. DHCD awarded funding for this project in July, and JAS is assembling the final pieces of funding needed to begin construction.

**Jefferson Park Federal.** The Affordable Housing Overlay process is complete. The Cambridge Housing Authority completed its second advisory design consultation with the Planning Board in February. The Planning Board issued the final Planning Board advisory design review report. The Affordable Housing Overlay process for this project is now complete and the CHA is now in the process of securing remaining funding needed to begin construction.

**116 Norfolk Street:** In August 2022, the Trust approved funding to assist CHA in the renovation and expansion of an existing 38-unit SRO to create 62 studio apartments for individuals moving beyond homelessness. CHA has completed AHO advisory design review and is completing financing.

**Walden Square II:** Winn Development is proposing a new infill AHO project on a portion of their existing Walden Square Apartments site. They held three AHO community meetings and had been scheduled to

present their plans to the Planning Board in late 2021 but requested a delay to allow them time to revise their design. The developers held a community AHO meeting in March to present their revised plan to the public and will restart the advisory design review process at the Planning Board. A request for Trust funding is anticipated in the coming months.

**49 Sixth<sup>th</sup> Street/Sacred Heart conversion:** Staff are reviewing at a funding request from POAH & Urban Spaces for the proposed adaptive re-use of a portion of the Sacred Heart property into 46 units of affordable rental housing. Staff expect to have a recommendation for discussion at October Trust meeting. The Affordable Housing Overlay process is complete and the Planning Board issued the final Planning Board advisory design review report.

**Inclusionary Housing:** Staff are working with homebuyers to complete purchase of new inclusionary homeownership units at St. James Place and Inman Crossing.

Staff are continuing work on leasing up 165 Main Street , which has 63 affordable units with 9 of the units designated for middle-income residents. Staff are making their way tenant select of units at other new buildings.

## **OTHER UPDATES**

### **Community Preservation Act (CPA)**

The Community Preservation Act (CPA) allocations were approved by City Council last week and the FY23 process is complete. With the FY23 City Budget with CPA funds, the combined total will be \$38 million.

### **Incentive Zoning**

There was another recent hearing on a Petition to amend the Incentive Zoning contribution to \$33.34 dollars. The City Council passed the amended petition on to second reading. To address concerns about mitigating impacts of the contribution on small developments, the Petition was amended to deduct the first 30,000 square feet from the contribution to reduce impact on small developers. It was also amended to exclude square footage on existing sites if buildings are demolished and rebuilt. This Petition likely to be taken up again at the Oct. 3 City Council meeting.

Trust members expressed concerns about the proposed changes, emphasizing how Incentive Zoning is a critical funding source for the Trust. Trust members questioned whether the proposed deduction of the first 30,000 square feet of development would meet the intended goal to reduce impact on small developers, since the same exemption would apply to larger developers too. There was consensus that the Trust should weigh in on the Petition and to suggest to the Council they consider further the impacts of these changes. Staff noted that one idea raised was to hold the first 30,000 s.f. of development at the current contribution rate, and anything above the 30,000 s.f. sf threshold be charged the new contribution rate.

Staff indicated that they will submit a memo with analysis of the revised petition for the next City Council meeting addressing the deduction of 30,000 s.f. for larger projects, and comparing the impacts of the petition as filed and as amended on recent projects to show how changes might impact funding for the Trust.

Trust members discussed their desire to send a letter to the City Council to address the pending petition and amendments. Trust members requested that this be completed so that it could be shared with the City Council for the October 3<sup>rd</sup> meeting.

### **Affordable Homeownership Program Changes**

Staff have begun a review process of several of the City's affordable homeownership program policies, including: the calculation of an affordable homeownership unit's increase in value over time, often known as the "resale formula", how capital improvements are considered, the resale process, and inheritance. The first of these efforts was a survey of over 525 owners of the City's deed-restricted.

Anna Dolmatch, Homeownership Program Manager, opened the discussion by noting that all owners of affordable homes had been invited to attend the Trust meeting and that many owners are attending the meeting today. Trust members welcomed the owners in attendance and thanked them for joining.

Ms. Dolmatch gave a PowerPoint presentation providing an overview of survey. 36% of homeowners responded to the survey and their breakdown by bedroom size, length of tenure, and demographic information was representative of the homeowners in the program as a whole.

The goals of the survey were to better understand perspectives on current program, gather information on priorities, introduce some of the questions to consider for potential policy changes, to highlight any areas with notable similarities or differences in opinions, and provide additional channel for current owners to provide input into the review process.

The presentation included results of survey questions around four areas: views on the current city program, views on affordable housing programs, views on the inheritance policy, and views on the resale formula.

Ms. Dolmatch shared the next steps to engage owners and other stakeholders in program changes. Staff will host 10 facilitated listening sessions with homeowners through Oct. 24, which will be summarized and brought to the Trust for discussion. There will be opportunities for community members, homeownership applicants and potential applicants, Housing Committee and City Council to provide feedback, which will lead to a recommendation process.

City Manager Huang left the meeting at 5:00 p.m. and passed the chairing duties to Jim Stockard.

Gwen Noyes left the meeting at 5:18 p.m.

### **35 Harvey Street**

Prior to discussion, Mr. Daly recused himself from the discussion and left the meeting at 5:33 p.m.

On behalf of Cascap Realty, Inc., Homeowner's Rehab, Inc., through its subsidiary Cambridge Community Housing, Inc., requested an increase of Trust funds up to \$421,773 to assist with converting this 16-unit SRO with shared facilities to 12 affordable self-contained apartments. The Trust has already committed \$2,917,664 towards this project.

Due to recent increases in constructions costs, all of the construction bids that came back over the summer were over budget. There is a currently a gap of \$1 million. HRI plans to fill this gap through increased Trust funding, by requesting more funds from state and reducing their fee in order to balance the budget.

Trust members emphasized that the longer the delays for this project, the more it will cost. They emphasized the importance of this project, and also the need to monitor the increase in construction costs when reviewing funding requests for affordable housing.

Upon a motion moved, seconded and approved by a roll call of five in favor with 4 absent (Mr. Daly, Mr. Huang, Ms. Noyes, and Ms. Thorne) to increase the funding commitment up to of up to \$421,773.

### **ADJOURNMENT**

Upon a motion moved, seconded and approved by a roll call of five in favor with 4 absent (Mr. Daly, Mr. Huang Ms. Noyes, and Ms. Thorne) to adjourn the meeting.

The meeting adjourned at 5:41 p.m.

The next meeting is scheduled for October 27, 2022 at 4:00 p.m.

#### Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's August 25, 2022 meeting
- Project update: Status of Active Commitments
- Powerpoint Slide Deck, September 22: Homeowner Survey Results Overview
- Community Development Department Memo, September 22, 2022: 35 Harvey St loan increase request from HRI