

Cambridge Affordable Housing Trust

December 14, 2017

H. Theodore Cohen, Chair
Planning Board
c/o City of Cambridge Community Development Department
344 Broadway
Cambridge, MA 02139

RE: CREATION OF NEW AFFORDABLE HOUSING

Dear Mr. Cohen:

On behalf of the Cambridge Affordable Housing Trust, we are writing to share our thoughts on and support for developments which will create new affordable housing units which have recently, are now, or will soon be coming before the Board.

As you know, affordable housing has long been a priority of the City. In 2015, to address the worsening housing crisis for residents, the City Council adopted a goal of creating 1,000 new affordable housing units this decade. Creating new affordable housing is a primary objective of the Affordable Housing Trust, and we share in, and have taken the City Council's ambitious goal very seriously. We have worked with the City Council, City administration and others (including the Planning Board) through lengthy and thoughtful processes to improve both the Incentive Zoning and Inclusionary Housing ordinances so that both will better assist the City in meeting our goal. We have likewise redoubled our efforts to finance new housing development in an ever more expensive and challenging market, and more recently in a very difficult funding environment. The Trust has financed property acquisitions and early stage work to advance several new all-affordable developments that have been, are now, or soon will be seeking permitting approvals.

The Board has begun to see these efforts in comprehensive permit requests to build 98 new affordable units on Concord Avenue, and to build 40 new affordable units on Massachusetts Avenue in Porter Square. We greatly appreciate the Board's consideration of, comments on, and support for these developments as we work with affordable housing developers to create developments where the Trust's investment can leverage necessary commitments from other public and private funders. Creating new all-affordable housing is a key strategy in our efforts to respond to the City's goal. We hope you will soon see other permit requests for new all-affordable developments. We will continue to work with our housing partners to secure other needed funds for approved developments – an increasingly difficult task in a quickly changing funding environment where federal commitments to affordable housing are in jeopardy while we are seeing declining incentives for private investment in affordable housing.

Another key strategy to create new affordable units, and one that does not rely on City or other public funding, is the City's Inclusionary Housing Ordinance. With significant

changes adopted earlier this year to increase the amount of new affordable housing created to 20% of residential floor area, and to promote the creation of affordable three-bedroom units for families, the inclusionary housing provisions will become an even more effective tool in our efforts to expand the City's stock of affordable housing. Last month the City marked the approval of the 1,000th inclusionary unit – a very significant milestone that should be celebrated. The Trust is especially pleased that this was accomplished without the need for any funding from the Trust as a complement to the work the Trust has done to finance new affordable housing. These 1,000 units of inclusionary housing represent an investment of more than \$500 million in our affordable housing stock.

We understand City staff are now working with new developments which could further increase the inclusionary stock by more than 200 additional affordable units. We appreciate efforts to advance these new developments as they will help us make significant progress toward the City Council's goal. Given the current uncertainty about housing funding and intense competition for limited available resources facing new Trust-funded housing, we will increasingly rely on inclusionary housing production to expand affordable housing, especially those which will be built subject to the increased 20% affordable housing requirements.

Thank you for your awareness of our efforts to expand the stock of affordable housing. We hope our comments on approaches to meeting the City Council's housing goal will be helpful as you consider permitting requests for new housing. It will take the cooperation and coordination among many City boards working closely with the City administration to meet our affordable housing goals.

We appreciate the Board's longstanding support of creating affordable housing, especially now, as we continue this work in very challenging times. We would be happy to once again come to a meeting of the Board to discuss our efforts and have a conversation with Planning Board members.

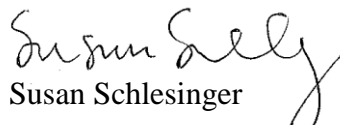
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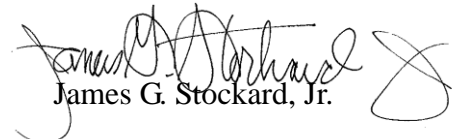

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