

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
January 31, 2018

Ackerman Room, Cambridge City Hall
795 Massachusetts Ave.

Trustees Present: Louis DePasquale, Chair; Peter Daly, Gwen Noyes, Cheryl-Ann Pizza-Zeoli, Jim Stockard, Bill Tibbs

Trustees Absent: Florrie Darwin; Susan Schlesinger; Elaine Thorne;

Staff Present: Lisa Peterson, Deputy City Manager; Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Linda Prosnitz, Housing Planner; Janet Haines, Associate Housing Planner

Others Present: City Councilor Sumbul Siddiqui, James Williamson

The meeting was called to order at 4:08.

Upon a motion moved and seconded, it was:

VOTED: to approve the minutes of the November 29, 2017 Trust meeting.

PROJECT UPDATE –

Homebridge Program: second purchase under City's recently expanded HomeBridge program closed; both purchasers were in the 100-120% AMI range; there are a number of applicants approved for the program who are currently looking for opportunities to purchase

Jefferson Park State Public Housing – Construction is behind schedule but first phase anticipated to be complete in late February.

Concord Ave – The project received funding in DHCD's special mini-round; reviewing bids and preparing to close in two phases beginning with site work in late Spring and full construction at the end of the summer.

Frost Terrace - Capstone's application for a comp permit to create 40 new units in Porter Sq was approved at the BZA; preparing to apply for funding in DHCD February round

JAS Consolidated – Just A Start closed in December on its consolidation of 10 existing properties; the transaction involved repackaging existing financing and bringing in new resources to allow JAS to renovate existing housing and rebuild the units lost to fire at the former St Patrick's Place property

Vail Court - Court approved the City's request to demolish the buildings, but the broader litigation remains ongoing; demolition will occur in the spring.

Inclusionary Program - Staff provided a quick overview of the IZ projects being marketed or nearing completion, including new units on Cambridge Park Drive. The pipeline remains active and growing, including several homeownership projects. Trust members noted that this appears to indicate that the expansion of to the IZ program has not chilled development.

OTHER UPDATES -

Mass & Main

Staff informed the Trust that there were two issues related to the Mass & Main project which they wanted to discuss. Mass & Main is a 285-unit rental project in Central Square being developed by Twining Properties. The project is subject to special zoning provisions which require 17% low-and moderate-income units and 3% middle-income units, and contains a provision whereby the Trust could purchase up to an additional three affordable units. The first issue discussed concerned the option to purchase affordability of additional units beyond those required by zoning. Twining has provided staff with an estimate of a differential of \$1 million between the value of an affordable and a market-rate unit one-bedroom unit. Staff noted that it is possible that a closer analysis of the assumptions used to derive this estimate could result in a lower price per unit. However, Trust members agreed that even a reduction of 25% would still mean paying \$750,000 for a one-bedroom which would be well beyond the subsidy needed to produce a comparable unit, and therefore not worth pursuing. It was further noted that the fact that there would be no possibility of leveraging other sources would mean that the full subsidy needed would be borne by the City and Trust.

The second issue discussed concerned a proposal from Twining to provide larger units in exchange for smaller units on the top floors. Specifically, Twining has offered to provide two 3-bedroom and one 2-bedroom unit in exchange for three studio units, if staff would agree to limit affordable units to the first 15 floors of the 19-floor building. It was noted that this project predates the recent changes to IZ and is subject to the former methodology whereby units are evenly distributed by floor and unit type. In the case of Mass & Main, there are fewer units on the top four floors, so there would be few affordable units regardless. Staff noted that it would ultimately be up to the City to decide, but that the Trust's input would be valuable. After discussion, Trust members encouraged staff to continue discussions as this seemed like a good opportunity to get additional needed family-sized units which would improve the affordable component in this building.

Envision Cambridge

The City's Envision Cambridge process continues, with the next Housing work group meeting scheduled for later that evening. The agenda for that meeting includes discussion on indicators. Information on the schedule, including notes and materials from meetings, is available on the Envision Cambridge website.

Housing Bond Bill

There was a brief discussion of the pending Housing Bond Bill which had passed the House and would be discussed by the Senate. It was noted that the House did not include a requested increase in state housing tax credits, a resource which could become increasingly needed if federal tax reform results in reductions of federal tax credit resources.

Metro Mayors Housing Task Force

Staff reported that Mr. DePasquale, Ms. Farooq and Mr. Cotter had attended the first meeting of the Metro Mayors Coalition Housing Task Force which had been formed to looking at regional housing and come up with regional housing production goals. It was hoped that the work of the task force would lead to cooperation among communities in creating new housing to meet

regional needs, and identify best practices and production targets. The Coalition is staffed by MAPC and is expected to meet over the next 6-8 months.

NEW BUSINESS

Squirrelwood – funding request

Prior to discussion, Mr. Stockard recused himself and left the room. Staff presented a request from Just-A-Start Corporation for funding to enable them to build 25 new rental units on the site of their existing Linwood Court development. This would be accomplished in conjunction with their plan to consolidate Squirrel Brand Apartment and Linwood Court into a single development to streamline management and enable them to bring in new resources to pay for needed rehab at the existing affordable sites. JAS is going through the permitting process now, having presented plans to the Planning Board in January and preparing to present their request for a comp permit to the BZA in mid-February. It was noted the Project Review Committee recommended that this be a conditional commitment, and that staff would report back to the Trust prior to closing for confirmation of Trust approval of final budget and development plan. Trust members expressed support for the project, and agreed that it made sense for non-profits to look for development opportunities within their own stock, such as Squirrelwood and the recently completed Auburn Court infill development.

Upon a motion moved and seconded, with Mr. Stockard absent from discussion and abstaining from the vote, it was:

VOTED: To approve Just A Start's request for up to \$4,600,000 in financing for the Squirrelwood development, as described in further detail in the Trust's January 31, 2018 briefing materials, and subject to the following conditions:

- Obtaining necessary zoning and permitting to complete project;
- Trust and CDD staff approval of the final development and operating budgets;
- CDD staff approval of construction plans and specifications, including new construction and renovation work;
- Firm written commitments from all project funding sources;
- CDD staff approval of the tenant selection and marketing plan;
- Standard Trust terms and conditions

ADJOURNMENT

The meeting adjourned at 5:06.

Materials:

- Meeting Minutes from the Trust's November 29, 2017 meeting.
- Project Update
- Squirrelwood Funding Request
- Mass + Main memo