

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
September 27, 2018

Ackerman Room, Cambridge City Hall
795 Massachusetts Ave.

Trustees Present: Louis DePasquale, Chair; Peter Daly, Florrie Darwin, Gwen Noyes, Susan Schlesinger, Jim Stockard, Elaine Thorne, Bill Tibbs, Cheryl-Ann Pizza-Zeoli

Trustees Absent: None.

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

OTHERS: James Williamson; Andrea Reimer

The meeting was called to order at 4:07.

Upon a motion moved and seconded, it was

VOTED: To approve the minutes for the meeting of Thursday, July 26, 2018 as submitted.

PROJECT UPDATE

Concord Highlands - Construction closing complete; site work underway; groundbreaking event scheduled for Friday October 5th at 11:30am.

Squirrelwood –DHCD funding approved July 2018; will be bringing request to finalize permanent financing approval to upcoming meeting

Frost Terrace - DHCD funding was approved July 2018; will be bringing request for pre-development funding to upcoming meeting.

Vail Court – Demolition to begin shortly; litigation is still pending.

Jefferson Park State – work is complete, units are occupied.

HomeBridge - Two units have closed in the 120% pilot program. Two three-bedroom units for under 100% AMI closed in June

Inclusionary – A few new projects are being reviewed by staff.

NEW BUSINESS

Envision Cambridge

Staff updated the Trust on the ongoing Envision process. In recent weeks, staff and the Envision team have been meeting with the community in a variety of settings to present scenarios

regarding: a voluntary Inclusionary bonus with increased affordable housing ratios, an environmental bonus, and the affordable housing overlay discussed at the last Trust meeting. Staff said that feedback on the 100% affordable overlay has varied, with some strongly in favor, and others strongly opposed. Opponents have raised questions, including how it would be implemented and what tradeoffs would be involved, particularly about the design review process. Supporters have been interested in finding ways to create affordable opportunities in the western parts of Cambridge where there is little existing affordable housing. At the same time, some residents raised concerns that this would “change the character” of these existing residential neighborhoods. Staff said that they were making clear that while the overlay would potentially make more sites feasible for affordable housing, and that production of affordable units is dependent on funding available from the Trust and other funders.

Homeownership Program Update

Staff summarized the findings of a report prepared on the City’s Homeownership Programs which was included in the Trust’s briefing materials and distributed at the meeting. It was noted that there has been a slight increase in Inclusionary homeownership projects in recent years, but that the last City-funded homeownership project dates back to the Windsor Church conversion completed in 2012. As a result, most activity is seen in the resale pool and, more recently, through the HomeBridge program. Among the information included in the report is data on who is living in the affordable homeownership stock, where families move when selling, levels of demand at various income levels and for various unit sizes, and existing funding available for new homebuyers.

The report also included a summary of potential programmatic and policy changes for future consideration. One idea raised was the creation of an advisory council which would include homeowners, applicants, lenders, Trust members and other stakeholders to discuss potential policy changes and assist staff in program administration. Trust members supported this idea, noting that it would be a useful way to provide input to the Trust. Another idea is to reassess the City’s equity return and resale formulas which have not been updated in a number of years. Trust members also supported this idea and noted that it might make sense to do this review on a regular basis, every few years. Other ideas discussed included a potential “second-time buyer” program as a means of addressing needs of existing owners and freeing up family-sized units for new buyers and a home improvement program for those who are not income-eligible for the City’s existing HIP program. There was a brief discussion of how the resale pool works, what level of reinvestment is required at turnover, how inheritance is treated, and how the equity return formula could be changed.

HomeBridge Funding Request

Staff presented a request for an additional \$2,500,000 in funding to respond to the increase in interest in the HomeBridge program. Staff noted that the Trust last provided funding of \$2,000,000 in November 2015 which brought the program fund balance to approximately \$2.9MM at the time, but that the available balance is now under \$1,000,000. In addition, staff requested Trust approval to approve a policy change to allow housing payment ratios of up to 36% for qualified HomeBridge buyers, to be consistent with current One Mortgage lending program used by many buyers.

Upon a motion moved and seconded, it was VOTED: to approve an additional \$2,500,000 for the HomeBridge program serving buyers at or below 100% AMI and to approve the following HomeBridge policy changes:

1. Allow a housing payment ratio of up to 36% for HomeBridge-assisted buyers as described in the Homeownership Program Update provided to the Trust as of this date;
2. Require a minimum household income of 60% of AMI, adjusted for household size, for HomeBridge approval as described in the Homeownership Program Update provided to the Trust as of this date.

Move to Executive Session

The Chair moved to moved to Executive Session to discuss minutes from a past executive session. Upon a motion moved and approved by roll call, with all in favor, members of the public left the room and the Trust went into Executive Session.

The Chair said that the purpose of the executive session was to discuss the minutes of a past executive session and to begin discussion of how best to review executive session minutes. There has been a request for the release of the executive session minutes from the February 2018 Trust meeting which described a funding request for the purchase of 2072 Massachusetts Avenue. The minutes were provided in draft form as the property acquisition had been completed, and staff wanted to review the minutes with the Trust for approval.

Members discussed the fact that the Trust typically goes into executive session when discussing real estate transactions which are in process, or in cases of pending litigation. The Chair of the Trust suggested that the Trust discuss a process for reviewing and releasing Executive Session minutes once a transaction had closed or legal matter had been resolved. Any decision regarding the release of executive session minutes would be made in consultation with the City Solicitor's Office to comply with applicable open meeting law requirements. Staff said that they would prepare minutes from other executive session minutes to review with the Trust at an upcoming meeting. Trust members said that they wanted to review the executive session minutes, individually, on a case by case basis before voting to release.

On a motion moved and approved by roll call, with all in favor and none against, it was voted to approve the executive session minutes from the February 22, 2018 meeting.

On a motion moved and approved by roll call, with eight in favor and Ms. Pizza-Zeoli against, it was voted to release the executive session minutes from the February 22, 2018 meeting from executive session, and to make these minutes available for public posting.

On a motion moved and approved by roll call, with all in favor and none against, it was voted to release the minutes from the current executive session taking place on September 27, 2018, from executive session, and to make these minutes available for public posting.

Finally, on a motion moved and approved by roll call, with all in favor and none against, it was voted to exit Executive Session.

Resident Selection Process

It was decided that discussion of resident selection procedures would be deferred to the October Trust meeting, given remaining time.

The meeting adjourned at 5:21 p.m. The next meeting is scheduled for October 25 at 4:00 p.m.

- Meeting Minutes from the Trust's July 26, 2018 meeting.
- Meeting Minutes from the Trust's February 22, 2018 meeting.
- Project Update
- Recommended Changes for Preferences in Resident Selection memo
- Homeownership Program Update memo
- HomeBridge funding request memo