

CAMBRIDGE AFFORDABLE HOUSING
TRUST MEETING MINUTES
January 24, 2019

Ackerman Room, Cambridge City Hall
795 Massachusetts Ave.

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

Trustees Absent: Cheryl-Ann Pizza-Zeoli

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

Others Present: Councilor Sumbul Siddiqui

The meeting was called to order at 4:14.

Upon a motion moved and seconded, it was voted

VOTED: To approve the minutes for the meeting of Thursday, December 13, amended to reflect that Peter Daly was not present at the meeting.

PROJECT UPDATE

Concord Highlands – Construction is ongoing and is expected to be complete in 2020.

Squirrelwood – Full construction closing expected in Spring 2019.

Frost Terrace – Full construction closing expected in Spring 2019.

Vail Court - Site work is almost complete. Legal case is in discovery phase; no immediate resolution is anticipated. Trust members noted excellent communication from the City to the public about the site.

Inclusionary – Lease ups of new units are ongoing. Discussions are nearing completion with Alexandria for the next phase residential development on Binney Street that will contain both low/mod and middle-income units.

Trust members requested an update on the East Cambridge courthouse process, specifically the bids for redevelopment of the City-owned parking garage. The City Manager stated that one bid was received and is under review.

NEW BUSINESS

Resale Fund Recapitalization

Staff presented a request to fund a \$1MM recapitalization for the Resale Fund. This fund is used to exercise the City's repurchase right on affordable units, enabling sellers to sell more quickly and move into market units. The funds are also used to fund rehab work on units on turnover, as well as to reduce the price if it is no longer affordable at the target income range.

The fund has previously been capitalized with a total of \$3.5MM in CPA funds. The fund is intended to revolve and sink, as some funds are recaptured when units are resold to a new eligible buyer. The \$3.5MM was projected to last approximately 20 years. At this time, approximately \$1.5MM has been permanently expended, leaving \$2MM in the fund.

Additional funds are necessary due to the volume of units that are typically held at one time. At this time, most of the remaining \$2MM is expended in short-term loans. An additional \$1MM will increase the liquidity of the fund and enable the City to continue to support owners looking to sell, and to maintain the quality and affordability of the homeownership stock.

Upon a motion moved and seconded, it was

VOTED: to approve the staff's request for \$1MM in CPA funds to be allocated to the Resale Fund.

Affordable Housing Overlay

The Trust continued discussion from previous meetings about the proposal for an Affordable Housing Overlay, which would allow 100% affordable developments as of right in all districts. Chris Cotter stated that staff are continuing to work on specific dimensional requirements and other details, so the Trust discussion would focus on the more general concepts.

Bill Tibbs asked how the process for the zoning petition would work. Chris Cotter stated that a proposal would go to the Housing Committee for discussion, which would likely happen at multiple meetings. The Committee's input would then be incorporated into a draft zoning petition. The next Housing Committee meeting is scheduled for March 5, but the agenda has not been set. Iram Farooq noted that the process would likely involve looking at all the different pieces of the zoning, and getting input on the separate decision points, then putting it all together.

Susan Schlesinger proposed that the Trust focus providing a recommendation to the Housing Committee on the concept of the Overlay, with the understanding that specific dimensional proposals are in process.

The basic concepts of the proposed Overlay are that it would be city-wide; only apply to projects that are 100% affordable; multi-family, including conversions, would be allowed as of right; developers would be required to engage in a community process; historic restrictions and districts would remain in full force; and all projects will be subject to a design review, but there would not be a discretionary approval that can be appealed.

Susan Schlesinger emphasized that it is essential to discuss why the Overlay is being proposed to increase public understanding of the benefits. The Overlay goals include diversity of housing types; distribution of affordable opportunities throughout the City; and to make the development process more efficient and less costly. She noted that the state's 40B law has set a precedent for this type of zoning.

Susan Schlesinger emphasized that the first step is for a statement from the Trust to elected officials confirming the principles at the heart of the Overlay proposal. She noted that any statement from the Trust should clearly state that the dimensions of any adopted zoning must be adequate for affordable projects to work financially, or the Overlay will not be effective.

The Trust agreed it would be beneficial to agree on the principles in order to prepare a letter for members to sign for submission prior to the March 5 Housing Committee meeting. Jim Stockard confirmed that he agrees with all the listed principles. He was curious as to which was most likely to encounter pushback. Susan Schlesinger stated that during the Envision Cambridge process, there were concerns from some residents about “change of character” in the Residence A and B districts, both the built environment and demographic makeup of those areas. There was also concern about relaxed dimensional requirements.

Iram Farooq added that some people believed that the overlay would result in very large buildings in every part of Cambridge. The perception is that buildings would be bigger than if there was neighborhood input, and that if an ugly building is proposed, the neighborhood would have no recourse through a permitting process.

Susan Schlesinger stated that is the reason that one of the essential principles for an overlay proposal is to require a community process.

Iram Farooq expressed that some in the community do not believe that design will be a priority for affordable projects; for that reason, staff are working on proposed design standards that could be incorporated into the overlay. These would go beyond dimensional factors like height and setbacks to include more design elements; for example, requiring that the building envelope not be a flat box. If the project did not meet the guidelines, it could be required to go for a discretionary approval. Jim Stockard suggested that the overlay proposal could use design standards such as those set by the State and MassHousing, which demonstrate the complexity involved in a typical affordable housing project.

Trust members agreed to draft a letter outlining the Trust’s position on the key principles for an affordable housing zoning overlay, and the necessary elements it should contain to meet those goals. The Trust will then participate in discussions around dimensional requirements. Chris Cotter added that CDD staff are reaching out to affordable housing developers to get their input on what development standards would support feasible 100% affordable projects.

Upon a motion moved and seconded, it was

VOTED: To request that a letter be drafted to elected officials laying out the principles enumerated in this discussion and the general reasons why the Trust supports the creation of an Affordable Housing Overlay. The letter will be circulated to Trust members for review and signature prior to the March 5, 2019 Housing Committee meeting.

MOVE TO EXECUTIVE SESSION

The Chair indicated that the next item for discussion before the Trust pertained to details regarding a potential real estate transaction, and that continuing in open session might have a detrimental effect on the negotiations. At 5:03 PM, the Chair entertained a motion to go into Executive Session to discuss this matter and indicated that the Trust would adjourn at the conclusion of the Executive Session.

Upon a motion moved, seconded and approved by an 8-0-0 roll call the meeting went into executive session.

EXECUTIVE SESSION

ADJOURNMENT

The meeting left Executive Session and adjourned at 5:23. The next meeting date is Thursday, February 28, 2019.

Materials:

- Homeownership Resale Fund Funding Request
- Fresh Pond Apartments Memo
- Meeting Minutes from the Trust's December 13, 2018 meeting
- Project Update