

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
December 16, 2020 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Bill Tibbs, Peter Daly, Florrie Darwin, Elaine DeRosa, Susan Schlesinger, Jim Stockard

Trustees Absent: Louis DePasquale, Chair; Gwen Noyes, Elaine Thorne

Staff Present via Zoom: Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Janet Haines, Associate Housing Planner; Maura Pensak, Housing Liaison to the City Manager; Linda Prosnitz, Housing Planner; Emily Salomon, Associate Housing Planner

Others Present via Zoom: Larry Aldrich, Michael Brandon, David Evans, Bo Fuji, Lee Farris,

The acting chair, Jim Stockard, called the meeting to order at 4:05 p.m. Chris 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 then coordinated to confirm that each participant was audible to each of the other Trust members.

Trust member Elaine DeRosa joined the meeting at 4:15 p.m.

MEETING MINUTES

Upon a motion moved and seconded, it was voted unanimously by a roll call to approve the minutes for the meeting of Thursday, November 19, 2020.

UPDATE FROM CDD

HomeBridge Expansion: At the last Trust meeting, it was voted unanimously by a roll call to expand HomeBridge income eligibility to households earning up-to 120% AMI. The Trust committed \$3 million in funds allocated through the City budget to fund the program. The City is planning to launch the program's expanded eligibility in early 2021.

Incentive Zoning: The Incentive Zoning contribution rate was updated based on the consumer price index (CPI). The new updated contribution rate is \$20.31, a 20-cent increase.

Housing Stabilization Program: On December 15th, the second round of the Housing Stabilization Program (HSP) closed. A third round of assistance will launch in January 2021 with funding via the CARES Act to target households most in need. Program changes will include a cost burden ratio reduction from 40% to 35% and assistance to income-eligible homeowners with mortgage payments.

Trust members asked about evictions in Cambridge now that the state moratorium has ended. Staff reported that the City is not seeing as severe a wave of evictions as in other parts of the state, but that

the City is monitoring the data closely. The HSP has been an important tool to assist residents prevent eviction. Other city agencies including the Multi-Service Center and efforts by the Housing Liaison to the City Manager are assisting residents with other housing resources and working to establish partnerships with affordable providers and some management companies to assist tenants in need.

HomeBridge: There is continued interest to utilize funds through HomeBridge. Several buyers are actively looking for homes. A three-bedroom unit closed last month, and another three-bedroom unit is under agreement as of last week. To date, 71 units have been purchased by first-time homebuyers through HomeBridge and the City's prior financial assistance programs.

Homeownership Resale Pool: Will discuss in more detail later in meeting.

Finch Cambridge: Construction is complete, and the property is fully leased up and occupied. Due to the pandemic, HRI has been unable to showcase the property to the public but is working with the City to provide a video tour/virtual walk-through of the building.

Vail Court: Litigation continues with no news to report as the case continues.

Frost Terrace: The application process began on Nov. 9 and is open through mid-January 2021. The developers have noted a strong demand for applications that has exceeded expectations. The City is working to market this opportunity. Applicants will be selected via a lottery process. Construction is anticipated to be complete by late-Winter/early-Spring 2021, with occupancy in May 2021.

SquirrelWood: Construction was delayed due to the pandemic but is on schedule to be completed in early 2021. Some units are already online, and others will be phased-in as they are completed. The construction delays incurred significant cost increases, which are being monitored by staff.

2072 Mass Ave.: Capstone/Hope is seeking comprehensive permit for project. Presented proposal to the Board of Zoning Appeal (BZA) on December 10 after receiving favorable recommendation from Planning Board on December 1. BZA continued hearing to January 7, 2021. The developers plan to apply for state funding in the upcoming application round with the goal of securing permitting and financing in order to begin construction in 2022. It is anticipated that a request for increased predevelopment funding will be brought to an upcoming meeting.

52 New Street: Just A Start is planning for the development of their New Street site, including the community and permitting processes, with a goal to secure permitting and financing to begin construction in 2022.

Park View Cooperative: The Trust will meet with Park View Cooperative members in early 2021. The Cooperative is revising their operating budget and preparing for further discussion of terms and conditions of funding with the Trust

Fresh Pond Apartments: Preservation of 338 HUD Section 8 units is complete and process for preservation of remaining 166 non-HUD Section 8 unit is underway. Two tenant information meetings were held in November 2020 and CHA staff currently working to certify incomes and tenant eligibility for Enhanced Vouchers. Based on income information, staff will be able to finalize the new affordability program at property, finalize use agreement HUD, finalize amount of funding to be provided to owner to

buy-down 50 years of affordability, calculate rent phase-in needs, and begin to draft documents to close loan and finalize 2021 rents for the 166 units.

Rindge Commons: Project received comprehensive permit for both phases of development; Just A Start is in the process of securing the necessary financing to begin construction of Phase 1 and will be applying for state funding in the upcoming application round.

NEW BUSINESS

Homeownership Resale Program

Staff requested that the Trust commit \$2 million in CPA funds to the Homeownership Resale Fund to assist with upcoming resales while CDD launches a revamped unit showing process through virtual tours to restart sales repurchased homes to new buyers through the Homeownership Resale Program. These funds are needed to continue to repurchase units with the assistance of Just-A-Start, perform rehab work, and hold the units while the City selects a new eligible buyer.

The COVID-19 pandemic has prevented the City from showing units for the past nine months. The Fund is currently nearly fully invested in units in the resale process. New funds will allow CDD to continue to work with owners who wish to sell while we clear our backlog of units in the coming months. This is a unique circumstance, and we could consider reducing the principal balance of the Fund once we return to a normal volume of resale units.

There are 19 units in the queue and the City is looking to get the pipeline of units moving again, starting with four Resale units to offer in January 2021. City staff are hearing from some owners who would like to sell back their unit, but the City has limited capacity to exercise its purchase right while holding so many units. Resale funds will come back to the program in the Spring once the units in the backlog are sold, but in meantime, additional funds are needed to continue to repurchase and prep units.

Trust members commented that given the success of the Resale program and the size of the portfolio, the program has reached a point where this problem is an ongoing management issue. They also suggested that this may be a good time to look more broadly at the this and other aspects of the homeownership program to see if there are changes we might want to consider as the volume has increased. Staff responded that they hope to move these issues and out together recommendations as the progress is made to clear the backlog of resale units in process.

Upon a motion moved and seconded, it was voted unanimously by a roll call to commit \$2 million in CPA funds to the Homeownership Resale Fund.

ADJOURNMENT

Meeting adjourned at 5:02 pm upon a motion moved and seconded, with absent, by roll call of **six** in favor and **three** absent. The next meeting is scheduled for January 28, 2021.

Materials:

- Meeting Minutes from the Trust's November 19, 2020 meeting

- Project update: Status of Active Commitments
- December 16, 2020 Memo: Homeownership Resale Fund Request