

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
May 27, 2021 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Louis DePasquale, Chair; Peter Daly, Florrie Darwin, Elaine DeRosa, Gwen Noyes, Susan Schlesinger, Jim Stockard, Bill Tibbs

Trustees Absent: Elaine Thorne

Staff Present via Zoom: Iram Farooq, Asst. City Manager for CDD; Chris Cotter, Housing Director; Cassie Arnaud, Senior Housing Planner; Anna Dolmatch, Housing Planner; Gabby Geller, Housing Development Planner; Janet Haines, Associate Housing Planner; Linda Prosnitz, Housing Planner; Maura Pensak, Housing Liaison to the City Manager; Emily Salomon, Associate Housing Planner

Others Present via Zoom: Michael Brandon, Lisa Case, James Dean, Lisa Dreier, Bo Fuji, Lisa Jacobson, Ausra Kubilius, Andrew Larsen, John Nesby, Patricia Ramsey, Catherine Tutter, Paul Vermouth, Nicola Williams

The acting chair, Jim Stockard, called the meeting to order at 4:01 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.

The Chair, City Manager DePasquale joined the meeting at 4:08 p.m.

## MEETING MINUTES

Upon a motion moved and seconded, with absent, by roll call of six in favor and three absent (Mr. DePasquale, Mr. Noyes, Ms. Thorne) to approve the minutes for the meeting of Thursday, May 6, 2021.

## UPDATE FROM CDD

**SquirrelWood:** Construction at this site continues and is on schedule to be completed in the coming months. Some units are already online, and others will be phased-in as they are completed. Applications are now being accepted for 17 available new units.

**Cherry Street:** The meeting to discuss this project has been rescheduled for next Thursday, June 3rd. The City Council has asked staff to establish a community process for developing this site.

**Community Preservation Act (CPA) Public Hearings:** The FY22 CPA allocation process will be underway this spring. The CPA committee will hold a first public hearing on June 6, 2021 and a second public

hearing on July 14, 2021 to hear comments on how the FY21 CPA funding should be allocated among the 3 eligible CPA uses.

**“Missing Middle Housing” Zoning Petition:** The Planning Board did not recommend adoption of this petition. The Ordinance Committee is holding another hearing on this petition on June 10<sup>th</sup>.

### **PARK VIEW COOPERATIVE REQUEST**

The Park View Coop request for additional funding was brought back to the Trust for a final vote. The request was deferred from the 5/6/21 Trust meeting to allow staff to further review the terms and conditions that Park View Cooperative members presented, and to get back additional information from Cooperative regarding operating projections.

The terms and conditions presented by the Park View Cooperative at the 5/6/21 Trust meeting along with terms suggested by staff last year were reviewed along with new operating projections prepared by the Cooperative. A revised set of terms were brought back to the Trust with a recommendation for the approval of this funding request.

Discussion included that the final terms were a good compromise between the unique needs of the a cooperative and the needs of the Trust to maintain appropriate oversight of its investment and would concerns that this be concluded so that work can begin before the winter.

Upon a motion moved and seconded, with Ms. Thorne absent, by roll call of eight in favor and one absent, it was:

VOTED to approve the Parkview Cooperative’s request for a loan commitment for an increase of up to \$2,805,215 to bring the total Trust commitment to up to \$4,199,215.

### **2072 Mass Ave**

The team of Capstone Communities LLC and Hope Real Estate Enterprises LLC (Capstone/Hope) is requesting up to \$1,271,000 in additional predevelopment financing from the Trust for its proposed development of 2072 Mass Ave. The developers will be seeking additional funding from the Trust, and to convert this loan into permanent financing, prior to construction. They are also seeking State funding which will be needed for construction. The request for a comprehensive permit for the proposed development, continued from several months ago, was at the Board of Zoning Appeals last week. The development team shared design changes they made to respond to community feedback. The project received a great deal of support in public comments along with a considerable amount of opposition at the meeting. The BZA questioned why this was not consistent with the guidelines for the Affordable Housing Overlay. The BZA did not make a decision, but again agreed to continue a hearing in September 2021. The developers are working to process and respond to comments and concerns heard at the hearing, and to prepare to return to BZA in September.

Staff explained that this request would provide funding needed to continue predevelopment work up to the construction phase. The development team is also pursuing other financing commitments which will be needed for construction, and will submit an additional request to the Trust for funding needed from

the Trust for construction. There will be a disbursement agreement in place to set parameters of when funds would be released as progress is achieved.

Trust members discussed the pending request for a permit from the BZA and that the Trust remains in support of the affordable housing proposal here.

Upon a motion moved and seconded, with Ms. Thorne absent, by roll call of eight in favor and one absent, it was:

VOTED to approve Capstone/Hope's request for a loan commitment of \$1,271,000.

### **Harvard Loan**

The Trust received a \$6 million loan made by Harvard University under its 20/20/2000 Initiative through which Harvard offered low interest financing to assist affordable housing efforts in both Cambridge and Boston. The City is approaching the end of the term for the initial loan commitment, and staff have been working with Harvard to prepare for a renewal of this commitment so that the funds will continue to be a resource for the Trust and affordable housing in Cambridge.

The funds were loaned to the Trust at 2% interest in two loans originated in 2000 and 2001. Funds were offered by the Trust to affordable housing providers at the same 2% interest rate. Loan funds have been used to assist affordable housing providers with permanent and construction financing. After a few permanent loans made in the early 2000's staff found that the funds were most valuable as construction or other short-term financing to lower development period borrowing costs for new developments due to the shorter available amortization period.

For the loan renewal, it is proposed that the interest rate will be fixed at a lowered rate of 1.85%. Similar to the original loan, payments will be interest only for the first 10 years, with the loan fully amortizing during years 10-20. Unlike the original loan, there will be no requirements for 10% loss reserve, so the full amount of the loan will be available for the Trust to lend to affordable housing builders.

Upon a motion moved and seconded, with Ms. Thorne absent, by roll call of eight in favor and one absent, it was:

VOTED to approve the Trust to authorize the Managing Trustee to execute documents necessary to enter into a new loan of up to \$6 million from Harvard University so that the Trust can continue to offer access to low-interest loan funds for affordable housing.

### **Annual Appropriations for FY2022 – funding request**

Prior to discussion, Mr. Daly and Ms. DeRosa recused themselves from the discussion and left the meeting.

CDD is requesting \$696,615 to support non-profit housing provider's affordable housing preservation and development programs, CDD Housing Division staff, and CDD Housing Division program support including homeownership management software, and legal services and administrative costs.

Trust members discussed their support for this continuing work.

Upon a motion moved and seconded, with Mr. Daly, Ms. DeRosa and Ms. Thorne absent, by roll call of six in favor and three absent, it was:

VOTED to approve the following annual FY2022 contracts as outlined below and summarized in the Trust briefing materials:

Non-profit Housing Preservation & Development	\$445,115
Expiring Use Preservation Funding	\$75,000
CDD Staffing	\$140,000
Homeownership Software	\$15,000
Legal Services	\$14,000
Miscellaneous / Administrative	\$7,500
TOTAL:	\$696,615

Following the vote, Peter Daly and Elaine DeRosa rejoined the meeting.

The Chair, City Manager DePasquale, and Ms. Darwin left the meeting at 4:52pm.

### **Homeownership Policy Orders**

The City Council recently adopted two policy orders to request information and planning for expanding the creation of affordable homeownership units, and to request changes to City homeownership programs, both with a policy goal of promoting racial equity and socioeconomic justice through homeownership.

Staff shared that the City's homeownership programs have been focused on maintaining a inventory of permanently affordable homes, and that requested program changes are in line with work CDD has been preparing to examine the equity return for owners to facilitate greater wealth-building among owners and to examine options for owners to pass on their homes to heirs. It was encouraged that the Trust members think about city resources and where they go to determine how the portfolio of affordable homes shapes over time. Staff are working on ideas for changes in policies for affordable homeownership for discussion.

Trust members encouraged City staff to stay abreast of what other communities across the country are doing to address systemic racism in housing and zoning policy and to use data to inform any policy changes. Members note that there are many considerations need to make, including the need to balance long-term affordability with changes that can better to mirror market-rate homeownership, wealth building, fair housing practices, and emerging best practices around new housing programs to address systemic racism.

### **ADJOURNMENT**

Upon a motion moved and seconded, Ms. Darwin, Mr. DePasquale, Ms. Thorne absent, by roll call of six in favor and three absent, it was voted to adjourn the meeting at 5:18 pm.

The next meeting is scheduled for June 24, 2021.

Materials:

- Agenda
- Meeting Minutes from the Trust's May 6, 2021 meeting
- Project update: Status of Active Commitments
- Project Review Committee Memo May 27, 2021: Parkview Cooperative Funding Request
- Project Review Committee Memo May 27, 2021: 2072 Mass Ave Predevelopment Funding Increase
- CDD Memo May 27, 2021: Request for Annual Appropriations for FY2022
- CDD Memo May 27, 2021: Update on Renewing Harvard Loan Fund Committee
- CDD Memo May 27, 2021: Policy Orders Regarding the City's Affordable Homeownership Program
  - City Council Policy Order 83
  - City Council Policy Order 95

Written Comments Received:

- From Dennis Friedler and others re: Park View Cooperative request
- From Seymour Kellerman re: 2072 Mass Ave request
- From Ausra Kubilius re: 2072 Mass Ave request
- From Ausra Kubilius re: 2072 Mass Ave request (with petition)
- From Michael Brandon re: 2072 Mass Ave request