



CITY OF CAMBRIDGE
Community Development Department

IRAM FAROOQ

Assistant City Manager for
Community Development

SANDRA CLARKE

Deputy Director
Chief of Administration

KHALIL MOGASSABI

Deputy Director
Chief of Planning

Affordable Housing Trust

December 20, 2022, 4:00 p.m.

To participate in this meeting hosted on the Zoom video meeting platform, please register using this [link](#) in advance of the meeting.

[Webinar Registration - Zoom](#)

AGENDA

- Review of Meeting Minutes
- Update from the Community Development Department
- Update on Homeownership Program Changes: CDD staff will provide an update on the process to develop changes to the affordable homeownership programs with information about recent engagement with owners of affordable homes and applicants for homeownership programs
- Amendments to the Affordable Housing Overlay: discussion of a recent policy order adopted by the City Council with suggested amendments to the Affordable Housing Overlay (AHO) provisions of the Zoning Ordinance
- Adjournment

344 Broadway
Cambridge, MA 02139
Voice: 617 349-4600
Fax: 617 349-4669
TTY: 617 349-4621
www.cambridgema.gov

Members of the public can provide written comments to the Affordable Housing Trust by email sent to ccotter@cambridgema.gov, or by delivery to the CDD office, by 5:00 P.M. the day before the meeting.

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
November 17, 2022 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Yi-An Huang, Chair, Peter Daly, Elaine DeRosa, Gwen Noyes, Florrie Darwin, Susan Schlesinger, Jim Stockard, Elaine Thorne, Bill Tibbs

Present via Zoom: Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Senior Housing Planner; Janet Haines, Housing Planner; Anna Dolmatch, Homeownership Program Manager

Others Present via Zoom: Lee Farris, Kavish Gandhi, Susan Twomey, James Williamson

Chris Cotter called the meeting to order at 4:05 p.m. Mr. 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 coordinated to confirm that each participant was audible to each of the other Trust members.

MEETING MINUTES

Upon a motion moved and seconded, by roll call of eight in favor and one absent (Mr. Tibbs) to approve the minutes for the meeting of Thursday, October 27, 2022.

UPDATE FROM CDD

HomeBridge: One unit is under agreement and six buyers are looking.

Homeownership Resale Program: The Resale Program continues to see activity with one unit under agreement.

Park View Cooperative: funding has closed is the Coop now moving forward preparing for construction and ordering materials. Credit is due to the Park View Coop owners for figuring out and managing this project.

Fresh Pond Apartments: CHA continues to work with the owner, tenants, City staff and others on the final step in this preservation of offering cost-burdened tenants the option to project-base new vouchers. CHA and City staff recently held another tenant meeting to provide more information and answer questions.

Rindge Commons Phase 1: Construction is underway and proceeding well.

Broadway Park: No update. JAS has had several community meetings to review its development proposal and is assessing financing and permitting options for this development.

35 Harvey Street: HRI is preparing to close in 2023.

35 Cherry St.: In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. The City is preparing an RFP to select an affordable housing developer.

AFFORDABLE HOUSING OVERLAY (AHO) UPDATES

52 New St: The Affordable Housing Overlay process is complete. JAS is working on getting the closing process started with a goal of closing in early 2023.

Jefferson Park Federal. The Affordable Housing Overlay process is complete. The CHA is working to fill remaining funding gap and expects to close in early 2023.

116 Norfolk Street: The closing process for the project has begun. CHA plans on closing mid-December.

1627 Mass Ave.: HRI purchased this property from Lesley University to create affordable housing in August. In September, they hosted their first meeting to formally introduce project as an overlay proposal. They expect to hold a second community meeting in 2023 to share more detailed ideas for the site.

49 Sixth Street/Sacred Heart conversion: Staff continue to work with POAH as they put together their financing package.

Inclusionary Housing: Staff is finishing up tenant selection for 163 Main Street and beginning the leasing of the newest building at Cambridge Crossing where there are 54 inclusionary units.

Discussion regarding updates:

Jefferson Park: Trust members asked whether the Cambridge Housing Authority was planning on rebidding any of their construction projects given the recent legislative changes regarding procurement and bidding processes. Staff said that they believe they were planning to rebid some of their sub-bids in order to reduce costs.

HomeBridge: The question was asked if there are particular lenders in Cambridge who step up to fund the HomeBridge buyers. Anna Dolmatch reported that many use the One Mortgage Program with participating lenders. These include Silicon Valley, Salem 5 and Dedham Savings. Staff work to establish relationships with the lenders to assist buyers purchasing through our program. Silicon Valley has been trying to hold the interest rate as much as possible for the buyers. Staff has found that people who started the process 4 months ago find that their salary now supports a lower mortgage, but home prices may be starting to moderate somewhat.

Homeownership Program Changes: Staff held 12 listening sessions with owners for direct feedback and perspectives on change to the homeownership program. Heard from approximately 70 owners with a lot of good information. Many were long-term owners, 10 years or more. A survey is also underway to gather input from applicants in the homeownership resale pool. Staff is planning to share an update with more information with the Trust in December.

Incentive Zoning: A zoning amendment to amend the timeframe for reevaluation of the housing contribution rate to allow for a new nexus study to take place prior to three years from the last change remains active. It could be adopted by the City Council as soon as Monday.

1627 Mass Ave: Trust members asked how the unit mix for this project will be decided and what input will the Trust have. Staff noted that HRI is looking at different development options under the Overlay. There will be high costs here. A question will be how to balance the number of units with the cost premiums. Also, competitiveness for other funding sources is a consideration. The Trust would like the opportunity to have Trust input before it is too far.

NEW BUSINESS

116 Norfolk Street

This Final Report of Affordable Housing Overlay Design Review Consultation from the Planning Board for CHA's 116 Norfolk Street development was presented to the Trust. The CHA's 116 Norfolk Street project will provide 62 units for people coming out of homelessness, renovating an existing building and creating an additional 24 new units.

Trust members commented that the Planning Board comments were very detailed and appreciated the Planning Board care in making comments to reassure the public that these projects will be acceptable designs. Trust members felt that the comments were not onerous, they were recommendations the developers could respond to, and that it was a good process to have the Planning Board review to help produce a better product and increases confidence for the public.

Upon a motion moved, seconded, and approved by a roll call of eight in favor with one abstaining (Ms. DeRosa) to approve the Planning Board report.

Amendments to the Affordable Housing Overlay

Discussion continued about emerging information about a proposal for amendments to the Affordable Housing Overlay, which were anticipated to be discussed at the net City Council meeting. It was recommended that the Trust review new material on this when available to be prepared to discuss in December.

ADJOURNMENT

The next meeting is scheduled for December 22nd, but may be rescheduled for earlier that week. Trust members asked whether the Trust will continue to meet virtually or whether future meetings would be in person or hybrid meetings. Staff said that they would look at whether an in-person or hybrid meeting was possible and confirm prior to the next Trust meeting.

Upon a motion moved, seconded, and approved by a roll call of nine in favor to adjourn the meeting.

The meeting adjourned 4:52 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's October 27, 2022, meeting
- Project Update: Status of Active Commitments
- 116 Norfolk Street- Memo regarding AHO Design Review
- 116 Norfolk Street – Planning Board Final Report

Cambridge Affordable Housing Trust

December 20, 2022

Status of Active Commitments

	Active Projects	Sponsor	Rental Units	Ownership Units	Status	Total Cost	Trust Commitment	Loan Amount Per Unit	Trust Approval Date
1.	HomeBridge program	CDD	currently approved buyers:	7	82 scattered site units purchased by first time buyers to-date. Program expansion up to 120% AMI now active. 1 unit closed in November.	N/A	\$18,200,000	1-br: 40% sale 2-br: 45% sale 3-br: 50% sale	May 2011
2.	Homeownership Resale Program	CDD	currently active units:	17	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers. 1 unit under agreement.	N/A	\$7,500,000		December 2011
3.	Vail Court (139 Bishop Allen)	TBD	TBD	TBD	Trust and City hosted public meeting in 2017 to hear from the community on affordable housing needs and ideas for the redevelopment of Vail Court. Additional public meetings will be scheduled but are currently on hold pending the legal action taken by former owner.	TBD	TBD	TBD	N/A
5.	2072 Mass. Ave.	Capstone Hope	TBD	TBD	Capstone/Hope purchased site in April 2018 and sought a comprehensive permit to enable the construction of a new 48 unit affordable housing building but withdrew their request at the September 2021 BZA hearing; they remain committed to creating affordable housing at this site and are assessing next steps and options.	TBD	\$5,071,000	TBD	February 2018 and June 2021
6.	52 New Street	JAS	107		JAS purchased the site in early 2020 and is permitting the project through the Affordable Housing Overlay. After JAS held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 10/16/21, and again on 1/4/22. A final Planning Board report has since been issued. The Trust increased its predevelopment loan for the project in January 2022. DHCD funding award was announced in July, and JAS is assembling the final pieces of funding needed to begin construction.	TBD	\$18,025,390	\$168,462	October 2019, June 2021, January 2022
7.	Park View Coop (24-26 Corporal McTernan Street)	Park View Coop		12	Funds committed May 2021; closing completed October 2022; preparing to begin renovations.	\$4,986,321	\$4,199,215	\$349,935	March 2019 and May 2021
8.	Fresh Pond Apartments (362 and 364 Rindge Ave)	Schochet	504		In March 2020, the Trust committed funding for the preservation of Fresh Pond Apartments. This commitment was combined with \$15 million in City funding which was appropriated by the Council. After many months of preparation, the Fresh Pond Apartments funding closed on October 6, 2021 and a new 50 year affordable restriction was recorded. The owner has been working with the CHA, City and tenants to transition tenants to the new program including offering PBVs to cost-burdened EV tenants.	\$34,533,179	\$34,533,179	\$68,518	March 2020
9.	Rindge Commons - Phase 1 (site of 402 Rindge Ave)	JAS	24		In June 2020, the Trust approved funding for the first phase of Rindge Commons. Project received a comprehensive permit in August 2020 and began construction in June 2022. The CAHT loan at closing was \$3,706,358 or \$154,444 per unit. This is a \$543,342 reduction from the original loan commitment. Construction underway.	\$17,307,771	\$4,250,000	\$177,083	June 2020
10.	Broadway Park (240 Broadway)	JAS		15	In March 2021, the Trust approved funding to create 15 affordable homeownership units. JAS has had several community meetings to review its proposal and expects to seek a comprehensive permit for this development. JAS also will be seeking to assemble remaining funding needed for this development.	TBD	\$3,600,000	\$240,000	March 2021
11.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42; 109-124; 1000 Jackson Place)	CHA	278		In September 2021, the Trust approved funding to assist with the comprehensive modernization of Jefferson Park Federal. After the CHA held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 11/9/21, and again on 2/15/22. A final Planning Board report has since been issued. The CHA is now in the process of assembling the remaining financing needed, with a goal of beginning construction in early 2023.	TBD	\$43,611,615	\$156,876	September 2021
12.	35 Harvey Street	HRI / Cascap	12		In November 2021, the Trust approved funding to assist with the renovation and reconfiguration of Harvey Street from SROs to studio apartments. DHCD funding award was announced in July, and HRI is in the process of assembling the remaining financing needed, with a goal of beginning construction in the coming months.	TBD	\$2,917,664	\$243,139	November 2021
13.	1627 Mass. Ave.	HRI	TBD	TBD	In January 2022, the Trust approved funding to assist with the purchase of this property from Lesley University to create affordable housing. The Trust approved additional predevelopment funding in August 2022. HRI acquired the site in August 2022 and held first AHO Community meeting on 9/15/22.	TBD	\$7,925,000	TBD	January 2022 and August 2022
14.	116 Norfolk Street	CHA	62		In August 2022, the Trust approved funding to assist in the renovation and expansion of an existing 38-unit SRO to create 62 studio apartments for individuals moving beyond homelessness. CHA has completed AHO advisory design review and has begun the closing process in advance of a December 2022 closing.	TBD	\$10,161,150	\$163,890	August 2022
15.	35 Cherry Street	TBD	TBD	TBD	In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. Transfer from MIT complete, planning for RFP to select affordable housing developer and process underway.	TBD	TBD	TBD	March 2022
16.	49 Sixth Street	POAH	46		In October 2022, the Trust approved funding to assist in the conversion of a portion of the Sacred Heart church property to affordable housing. POAH has completed the AHO process	TBD	\$7,750,000	\$168,478	October 2022

Total Units 1038

Cambridge Affordable Housing Trust

Status of Affordable Housing Overlay (AHO) Developments

	AHO Development	Developer	AHO Status & Activity	Rental Units	Ownership Units	Development Status
1.	52 New Street	Just-A-Start Corporation	AHO Community meetings held on 2/25/21, 3/25/21, and 4/15/21. Planning Board design consultation held on 10/26/21 and 1/4/22. Design consultation completed January 2022; Final Planning Board report issued 1/20/22 and was transmitted to the Trust in its 1/27/22 briefing materials.	107		Design Consultation Complete; see above

2.	Jefferson Park Federal (45-60, 61-75, 77-92; 93-108; Jackson Circle; 1; 2-19, 21-42, 109-124; 1000 Jackson Place)	Cambridge Housing Authority	AHO Community meetings held on 3/2/21, 4/1/21, and 10/19/21. Planning Board design consultation held 11/9/21 and 2/15/22. Final Planning Board report issued 3/9/22 transmitted to the Trust in its 3/24/22 briefing materials.	278		Design Consultation Complete; see above
3.	Walden Square II (102 Sherman Street)	WinnDevelopment Companies	AHO Community meetings held on 3/23/21, 4/13/21 and 5/27/21. Submission for first Planning Board advisory design consultation was withdrawn by developer on 11/16/21. Design revised based on community comments. Community meeting held 2/23/22.	~102		Original submission withdrawn; community meetings underway
4.	49 6th Street	POAH & Urban Spaces	AHO Community meetings held on 7/27/21 and 11/3/21. First Planning Board advisory design consultation meeting held 4/5/22. Second design consultation meeting was held on 6/28/22; Planning Board report issued 7/14/22 and transmitted to the Trust on 8/4/2022.	46		Design Consultation Complete; see above
5.	116 Norfolk Street	Cambridge Housing Authority	First AHO community meeting held 2/10/22. Second community meeting held 4/26/22. First Planning Board advisory design consultation meeting was held on 7/5/22. Second advisory design consultation held 9/13/22. Planning Board report issued on 10/28/22 and transmitted to the Trust on 11/17/2022.	6		Design Consultation Complete; report to be issued
6.	1627 Mass. Ave.	Homeowner's Rehab Inc	First AHO community meeting held 9/15/22.	TBD		Community meetings underway.

Status of Active Inclusionary Housing Developments

	Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	305 Webster Ave.	305 Webster Ave. Condominiums L	Covenant Recorded 8/11/17. Construction is complete. Unit closings will be complete by the end of December.		4	Ordinance prior to revision
2.	St. James (1991 & 2013 Mass. Ave.)	Oak Tree	Converted to ownership. Unit closings will be complete by the end of December.		5	Ordinance prior to revision
3.	50 Cambridgepark Drive	Hanover	Covenant recorded 8/6/19. Building Permit issued 12-5-19. Construction nearing completion. First group of units complete.	55		Revised ordinance at 20% sf requirement
4.	165 Main Street	Mitimco	IHP Covenant recorded 12/17/19. Building Permit issued 12-20-19. Complete. Tenant selection nearing completion.	63		Zoning for MIT
5.	95-99 Elmwood	95-99 Realty	Covenant recorded. Building Permit issued 7-2-20. Under construction.		4	Ordinance prior to revision
6.	Cambridge Crossing, 151 North First Street	DivcoWest	Covenant recorded; Building Permit issued 8-24-20. Construction complete. Tenant selection underway.	54		Ordinance prior to revision
7.	212 Hampshire Street	212 Hampshire LLC, Binoj Pradhan	Covenant recorded. Construction complete. Tenant selection underway	1		BZA requirement of affordable unit
8.	55 Wheeler Street	Toll Brothers	Covenant recorded 3/12/21. Building Permit issued 3/16/21. Under Construction. Completion of first phase of units expected in early 2023.	99		Revised ordinance at 20% sf requirement
9.	40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded. Building Permit issued. Under construction	48		All units are affordable
10.	605 Concord Ave.	Abodez Acorn	Covenant recorded; Building Permit issued 12/9/21. Under Construction.	7		Revised ordinance at 15% sf requirement
11.	3-5 Linnaean	Willow Land Corp.	Covenant recorded; Building Permit issued.	1		Zoning for basement housing overlay
12.	1043-1059 Cambridge St.	418 Real Estate	Covenant recorded. Building permit issued 7/11/22. Under construction		3	Revised ordinance at 20% sf requirement

Under Development:

328 16

Completed Units:

951 202

All Units:

1279 218

1497

	Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	600 Massachusetts Ave.	418 Real Estate	IHP plan was submitted but is on hold as developer is exploring other options to create affordable units.			Revised ordinance at 20% sf requirement

City of Cambridge
Community Development Department

Affordable Homeownership Program Review Update: Homeowner Listening Session Summary and Resale Pool Applicant Survey Results

December 20, 2022



Program Review Process Engagement

Survey for all current owners
completed July 2022

Listening sessions for current
owners through October 2022

Survey for applicants currently
waiting for housing December 2022

Housing Committee hearing
January 2023



Listening Sessions

- Twelve sessions – ten virtual, two in-person
- 69 participants – 16% of current owners
- Approximately 50% of spaces registered but did not attend

- Small group sessions – smallest 3, largest 12
- ~90 minutes
- Professional facilitation
- Housing staff for technical expertise and questions
- Feedback on current program, priorities for changes, thoughts on value increase and inheritance

Attendee Overview

- **Length of Tenure**
 - 61% owned more than ten years
 - 17% owned twenty or more years
- **Unit size distribution:**
 - 38% studio or 1 BR
 - 40% 2 BR
 - 22% 3 or more BR

Attendee Overview By Unit Program Type

- **100% affordable and Inclusionary:**
 - 45% of participants
 - 76% of unit stock
- **Financial Assistance/HomeBridge:**
 - 39% of participants
 - 21% of unit stock
- **“Other” – older, one-off projects**
 - 13% of participants
 - 3% of unit stock

Listening Session Feedback

What did we ask?

Meetings evolved over process

- Adapted to participant feedback
- Shift from questions on specific models
- Focus on feedback and priorities

Discussion topics:

- What does the current program do well
- What is your priority for program change?
- Overview of current resale formula
- Priorities for an updated resale formula
- Priorities for inheritance, assuming some ongoing eligibility restriction

What did we hear?

Many different experiences with the program

Almost all expressed appreciation for some aspect of the program

All care about continuing access to affordable homes for the future

Range of issues raised, both within and outside the scope of this process – things to look at going forward

Not consensus, but many frequent themes

Frequent Themes

Program plays important role in keeping people in Cambridge with stable housing

Combination of limited resale price and market prices limits owners' options to move on

Understand challenge of keeping units affordable while increasing return but current formula too limited

Restrictions make program feel less than full ownership

Less incentive to invest in unit condition

Priority for inheritance is opportunity for family members to remain in Cambridge

Purpose of the program

- *The point is, if the goal is to get people in houses so that they can move up into regular and that's equity, is one thing. If the goal is to keep families, middle class families, in Cambridge, that's a whole different thing.*
- *How do you help the most people and how much of that help should go to me?*
- *It's about people that want to live here and stay here, not want to invest some money and then make a ton of money off it. Then you don't go into a program like this.*

What the program does well

- *I can live here, and I can live here next year and as long as I can keep affording the mortgage and the condo fees, I am allowed to live here. That's a big deal. I've been a renter my whole life before coming to this opportunity, and I calculated once and I have paid over \$300,000 in rent and so have nothing for it. I think that's the situation a lot of us find ourselves. If you don't have money for a down payment, you're forever in a rent cycle and a cycle of instability, so I definitely appreciate the stability.*
- *A lot of my friends who live in public housing, every time they get a raise, their rent goes up. That's awful, and so you can never really get ahead. So, the fact that you are fixed is really helpful. I live in a three-bedroom, so my daughter is living with me. I have friends who rent, they had to downsize to one bedroom. The kids are grown. The kids have nowhere to come back to, if they need to come home. So that part, I think, is an example of something it does well.*
- *As a single mother of a daughter, we were living in an attic just so she could go to Cambridge public schools, it was a lifesaver to be able to move into a home that the mortgage was less than what I was paying to live in an attic just to stay in Cambridge.*

Building wealth and assets

- *I think most people would say, "This is a good thing for Cambridge to have people at a variety of income levels who can live here." And at the same time, I think for us as individuals, everyone in America thinks of a home as an investment and it's very hard to accept that in this case it's a low-return investment.*
- *I never thought that I could be an owner here, so I felt like I hit the jackpot when I bought through the resale pool. And now that it's 10 years later and I have a little bit more understanding under my belt of the equity that my neighbors are building, and I am sitting on the tiniest, tiniest little nest egg, I'm like, "Oh dang, what am I doing? Is this a wise place to be financially,"*
- *I want to stay in Cambridge, but if this isn't something that I can say, "This is now their property", I would have to think about where do I get them that property, or where do I build that wealth, for my family.*
- *And I also feel like as a person of color, this isn't necessarily helping me at all or making up for the gaps that already are there for being a person of color buying something in a city when everybody else is so outpacing you. So I mean, it gets balanced out by the fact that what you pay monthly is fairly low.*

Inability to move on

- *It's like the deal is actually so good that it doesn't make you want to leave your place or sell your place because it's very hard to go out there and try to find something at the same rate...Sometimes it's a great blessing but in some ways I felt like it's not enough incentive to make you want to move on and turn your unit over to someone else that could make use of it.*
- *I do feel I'm not able to adjust as my needs change. I do wonder what's going to happen and sort of if I were going to sell, I wouldn't be able to go somewhere else in Cambridge...And certainly I knew what the downfalls were at the beginning, I understood them, but to the extent the program can adjust as individuals adjust and families adjust, that would be great as well.*
- *If I were to outgrow it...how do I leverage this as a way that builds wealth? Could I leverage it into a bigger place in Cambridge? If I were to ever leave here, it feels like I'd never be able to live in Cambridge again unless I have a massive financial change..*
- *I live on the second floor, and I realized, oh if I'm ever going to become, God forbid, disabled, in a way that I can't make it to the second floor, I'm in trouble. I can't buy another place in Cambridge.*

Affordable program versus the market

- *When we bought here, we always thought, oh we would be able to do better and be able to buy something on the market and then hand this back. But the way that the economy went, that was never ever a chance because it just went so crazy.*
- *One element of this program is that given the nature of Cambridge's market is that once you're in this unit, you have to face the reality that you may not be able to live in Cambridge when you're not living in this unit anymore, and that seems like a reality worth spending some time with.*
- *I'm looking at my neighbors who have gone up five, six, eight times what they put in and it's hard because we still would never be able to go someplace else.*
- *It's hard to imagine that if I were to sell that my next step from here, I would still be able to remain in Cambridge. And that's a hard thing to think about.*

Investing in home/keeping up condition

- *I think right now there is not a lot of motivation to try and upgrade or make anything better because you know you're not going to get a lot of money out of it. And I think that this would make people want to do more to keep their property up. But like I said, I think it would also be hard like, how do you keep it affordable if you do that?*
- *I kind of have to go back every so often because I have to repair things in my home. I'm like, oh man, I can't believe I bought a house and I have to pay for this and whatever, but then I'm like, you know what? You don't have to be certified every year, you don't have to have people come into your home and saying you can't do this and whatever.*
- *If we have to borrow money to do structural maintenance and we're sort disincentivized to do that because we have to wait 10 or 20 years to get the money back. And in the meantime, we feel sort of like tenants rather than owners in a way. But we still have to do it...I'd like to see some consideration about long term maintenance and upkeep so that when the city does take the property, it's not completely run down and they'll have to spend a lot of money at that point to bring it back up to code or whatever.*
- *I feel like in the past I haven't gotten the sense that I'm going to have return on equity and so I'm less inclined to update things that need to be updated in the kitchen for example, or in the bathroom. And I think that then falls on the next owners or just in terms of quality of housing that the city is offering to people.*

Not true homeownership

- *With owning a home through the city, as amazing as it is, there comes limitations, and there's restrictions that the first person talked about, briefly. That can be a little bit limiting. And there are times, as she mentioned, that it can feel like, yeah, you're not really owning this unit, kind of feeling, and that's always in the back of my mind.*
- *It's like you got to stay or you got to go or you got to leave it empty and be bleeding out money every month so that you can help your family elsewhere. That's an unusual thing for the home ownership program through this, is that you just don't have another option. You're kind of stuck and it doesn't feel like home ownership. It feels like a dirty trap.*
- *Can this be a home? At this point of time, I feel that the landlord is in a way the city. I hate to say that, but it's not entirely my home. That's not the way it feels like.*

Resale Formula Concepts

- *And I think that the fact that the apartment won't go underwater, financially, that's good. That's reassuring. 2008, 2009 seems like a long time ago, but I had family members who really were in terrible situations then. So I think that stability is important.*
- *That's another option. To let us buy the city out of what it was that we would've paid had it been market rate and to be able to sell it at market rate. Then of course that goes away. Then the city gets some money. But it's almost a flip of what we get. We get very little money and we've lived here for all these years. In the current situation, the city keeps its affordable housing and we don't get as much. But they could build more affordable housing.*
- *I think this program fundamentally changes ...for whom it is possible to remain in Cambridge. And I think that is so important and wanting to maintain that as much as possible, but also maybe some long overdue tweaks or changes to the formula to make it more of a... To not go so far to that balance that the individual homeowners are not realizing any type of increase.*
- *I don't think when I bought into this program, there's no way I was expecting a market rate return. But maybe if it were half of that or a quarter of that even, that could be a good compromise.*

Resale Formulas Continued

- *From my family's viewpoint, it would be hard to argue against any changes to the resale formula that ended up benefiting us financially when we do sell. But I guess I'd say from what I would see as a public good standpoint, keeping homes affordable for future families would be the most important*
- *I guess the one that sticks out to me most though is increasing at the same rate as market units, because I can see that we paid less so we wouldn't make as much on a unit as people in the city are making. But it would give us a chance to be able to make something, have equity, as opposed to like now, it feels like we won't have much of anything more than what we pay.*
- *This doesn't come close to the market itself and the rise in cost in the market. So it's not fair.*

Inheritance

- *I raised one daughter here, she's 25. She's known from day one that she wouldn't inherit this if anything happens to me. And it's okay, I'm putting money not into my home like other units that are not affordable in my building (that) have more than doubled in value, but I'm putting money in my retirement account.*
- *I would not want anyone to be displaced. This program was such a savior to me in a time in my life where my housing was really unstable. I would never want anyone else to go through that. I think that would be really important for me.*
- *I don't know if that's a good thing or not. I would love it, because I would think that would be wonderful. But on the other hand, I worry that you're creating kind of a closed system. Then what happens with the next generation? It passes on to them. Then you've taken all these units basically out of the running for other people.*
- *(I) feel like I've sort of come full circle back here. And I think my mother and her family would be happy if they were, my mother if she was alive, to know that I've sort of come back here to Cambridge and I think it's important to be able to pass that along to another family member.*

Inheritance

- *But I understand the challenge for you guys, because it kind of replaced rent control. And then that's what happens, it gets passed down, passed down, then there's a Harvard professor at the rent control apartment because they never want to get rid of them. I would see that's the danger of the inheritance part.*
- *I would want you guys to have slightly higher limits for our kids, to maintain their citizenship in the city. I mean, not at all costs, but it should be considered a valuable asset to this community's health and well-being, that our children can continue to contribute.*
- *The most important change would be, I should be able, if my kids choose to live there, that no matter what their income is at the time, they should be able to live where their parents raised them.*
- *Well, I think for some, stability of family staying in Cambridge is important, not just the payout. And I think for me personally, that is more important to me. At least having a viable chance of them inheriting if you're income eligible or at least close.*
- *And as much as I'd like my children to inherit or to do something with the home, I also know that maybe in the future, there might be another young dad like me who is looking for a home. And if not inheriting would mean they get it, maybe that would be beneficial to them as it was to me getting a home when we really needed it.*

Resale Pool Applicant Survey Results

Goals of the Applicant Survey



Bring applicants into the conversation on program changes



Assess awareness of current program terms



Introduce some of the questions to consider for potential policy changes



Gauge priorities



Identify where current owners and applicants may agree or differ



Survey Outreach and Response

- Cambridge resident applicants only
- Applicants with email on file – 93%
- Two follow up emails

TOTAL RESPONSES:

493 Applicants contacted

94 total responses 19%

80 complete responses 16%



Respondent Overview

- 67 % in Resale Pool for more than 3 years
- 43% waiting for 3 BR or larger
- 18% waiting for 1 BR
- 84 % currently living in affordable housing



Respondent Overview

- 90 % have taken a FTHB education class
- 50% earn between \$50K and \$75K annually
- Race/ethnicity (optional):
 - 44% Black or African American
 - 21% white
 - 15% Asian
 - 16% Hispanic

Housing Challenges

- 19% state no challenges with current housing
- 38% reported rent being increased beyond affordability
- 24% overcrowded
- 19% paying more than 50% of income for rent

Most Frequently Cited Reason to Buy a Home

49% selected:

Stay even if income increases

43% selected:

Low risk I will have to move

42% selected:

**Part of monthly payment
comes back as equity**

Least Frequently Cited Reason to Buy a Home

18% selected:

**Make changes without asking
landlord**

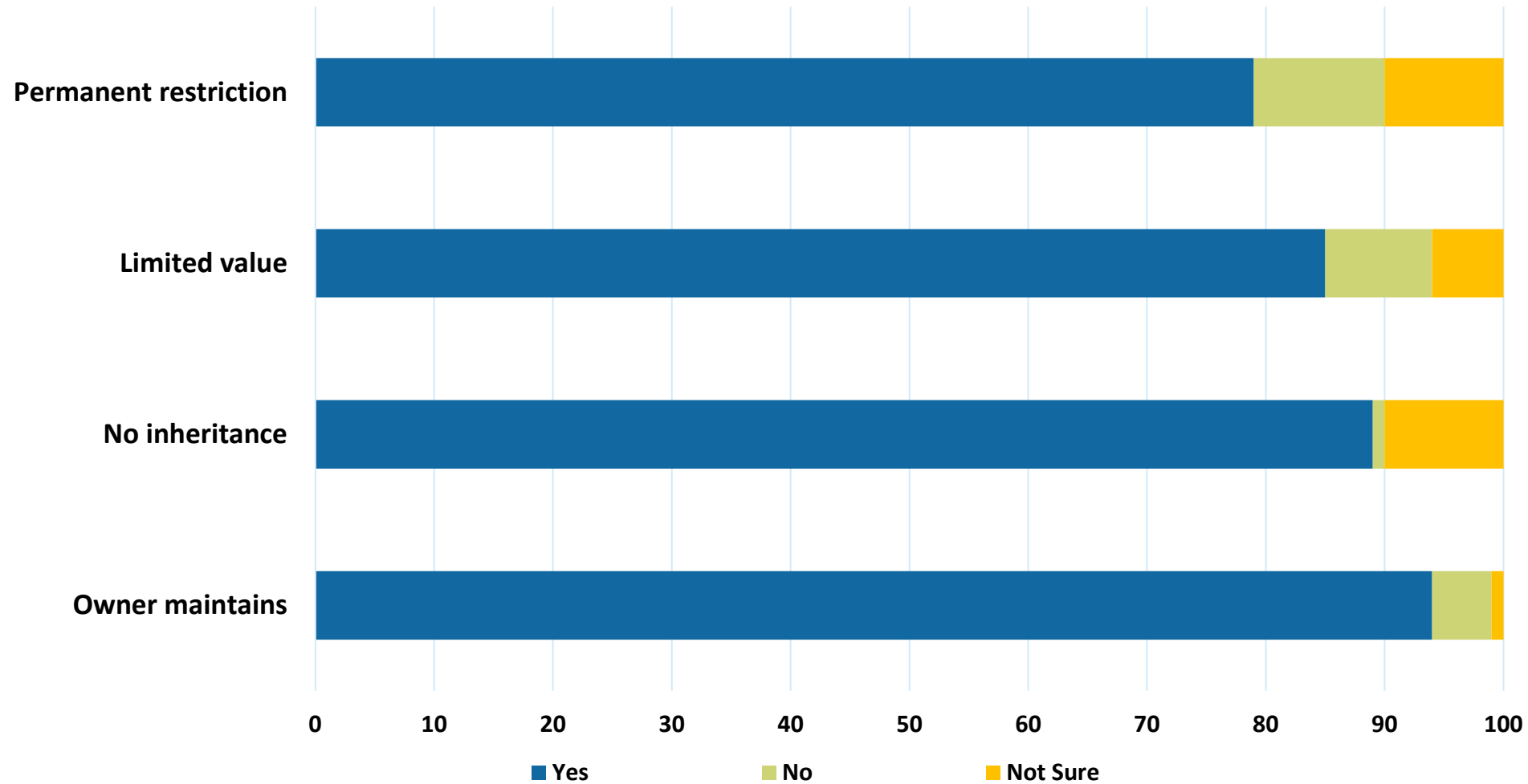
12% selected:

Make a profit on price increase

2% selected:

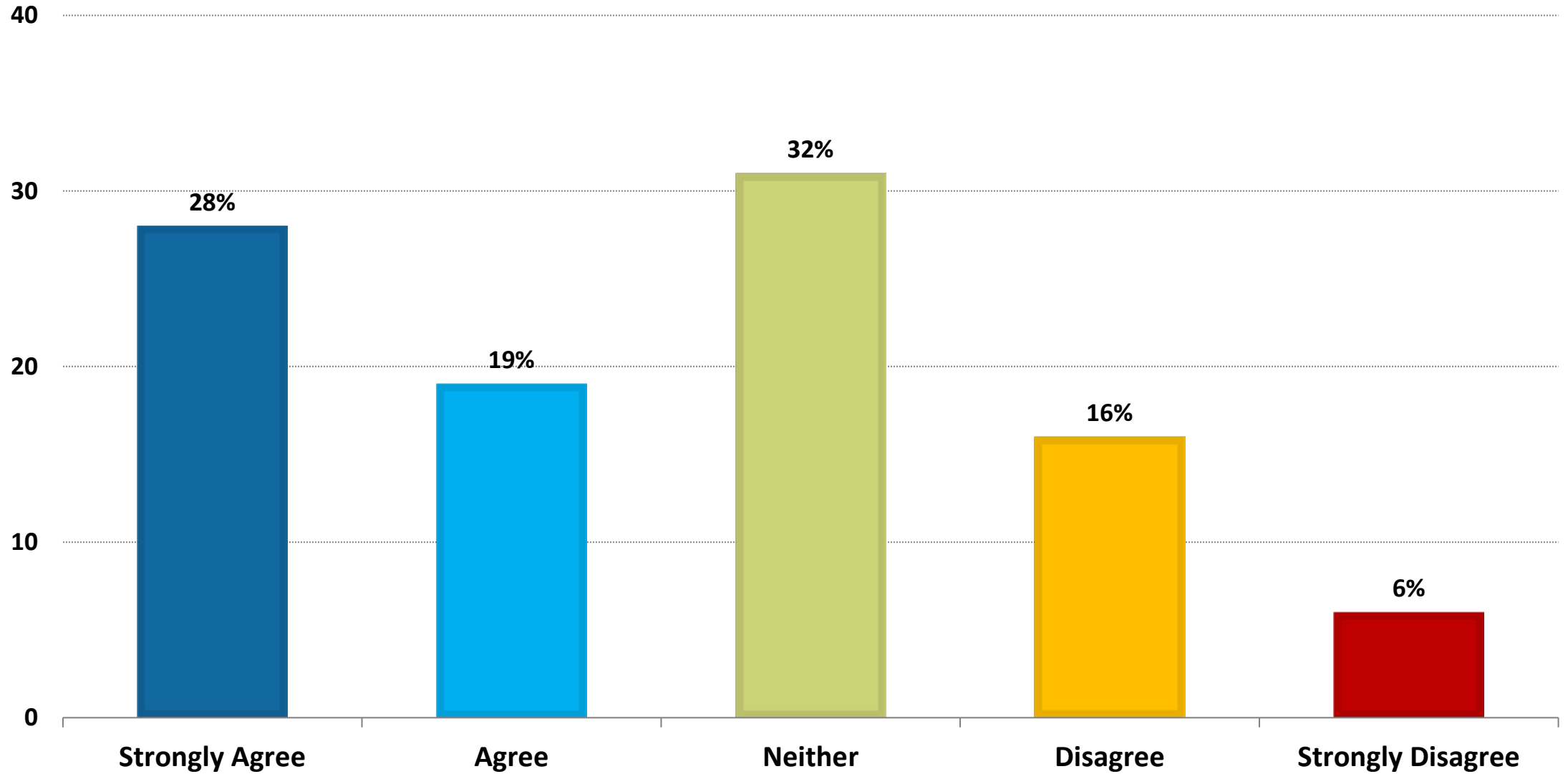
**Be involved in building
decision-making**

Are you aware of these program requirements?

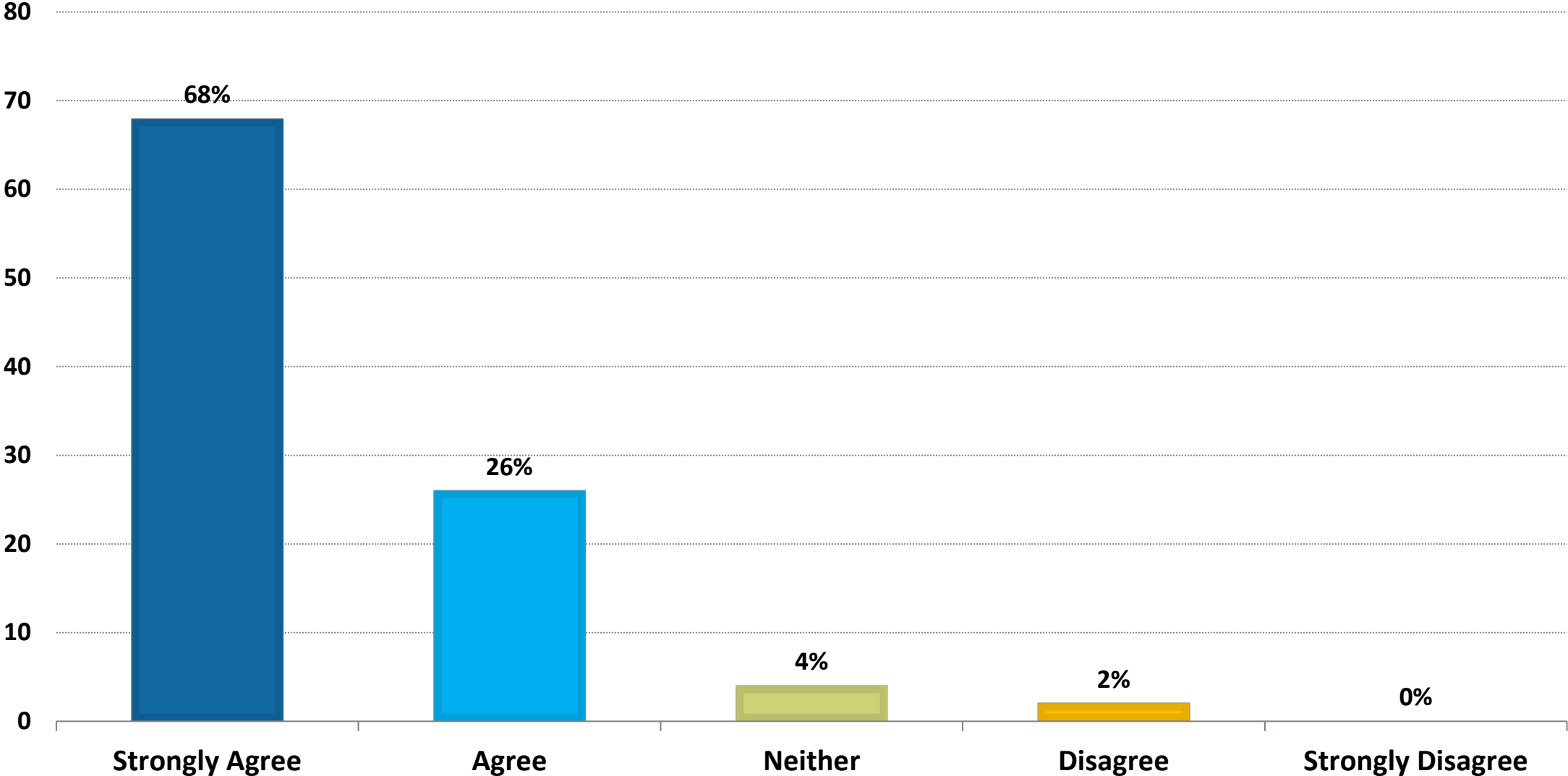


Views on Affordable Housing Value

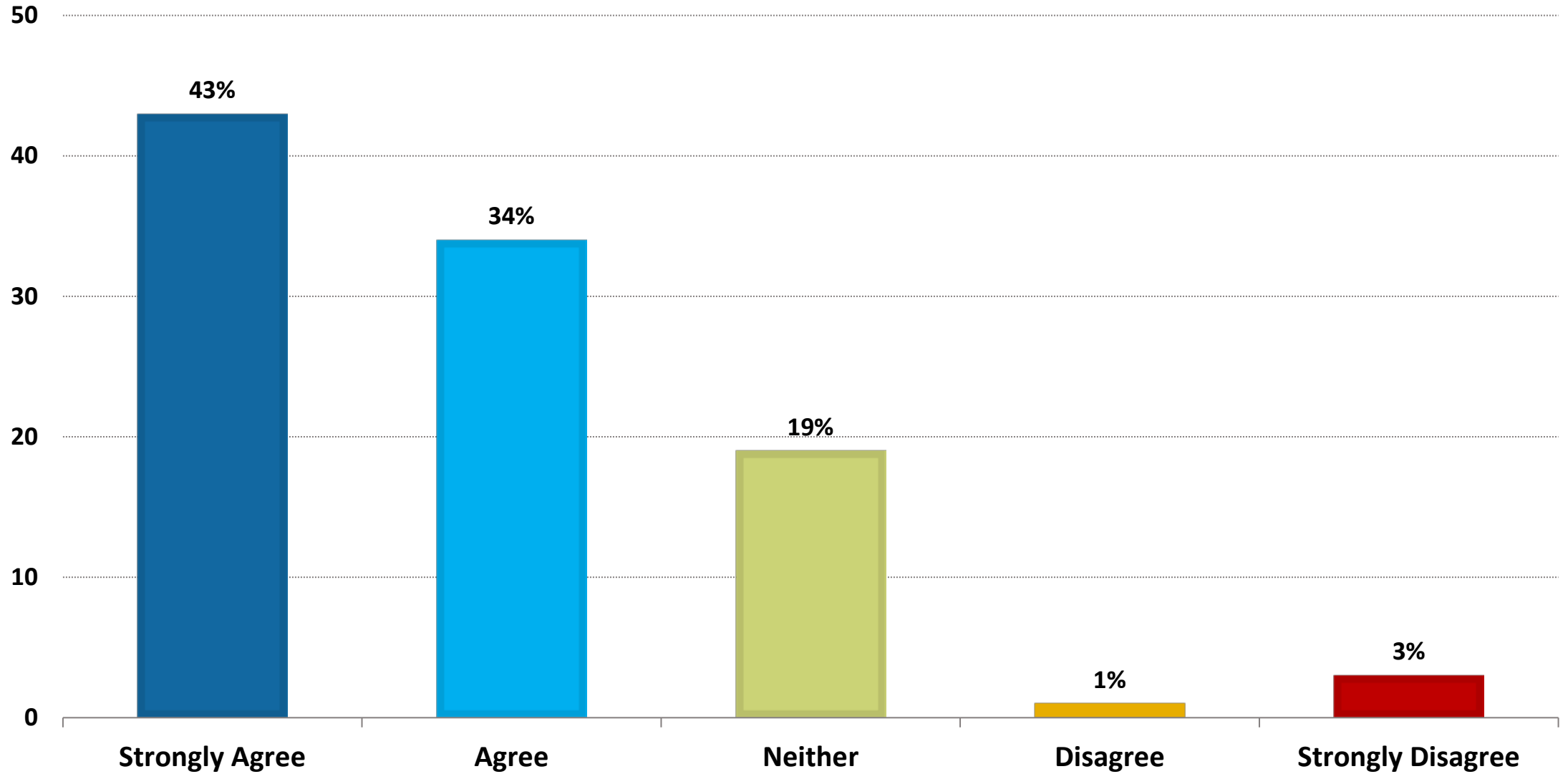
Affordable homes should appreciate the same percentage as market homes



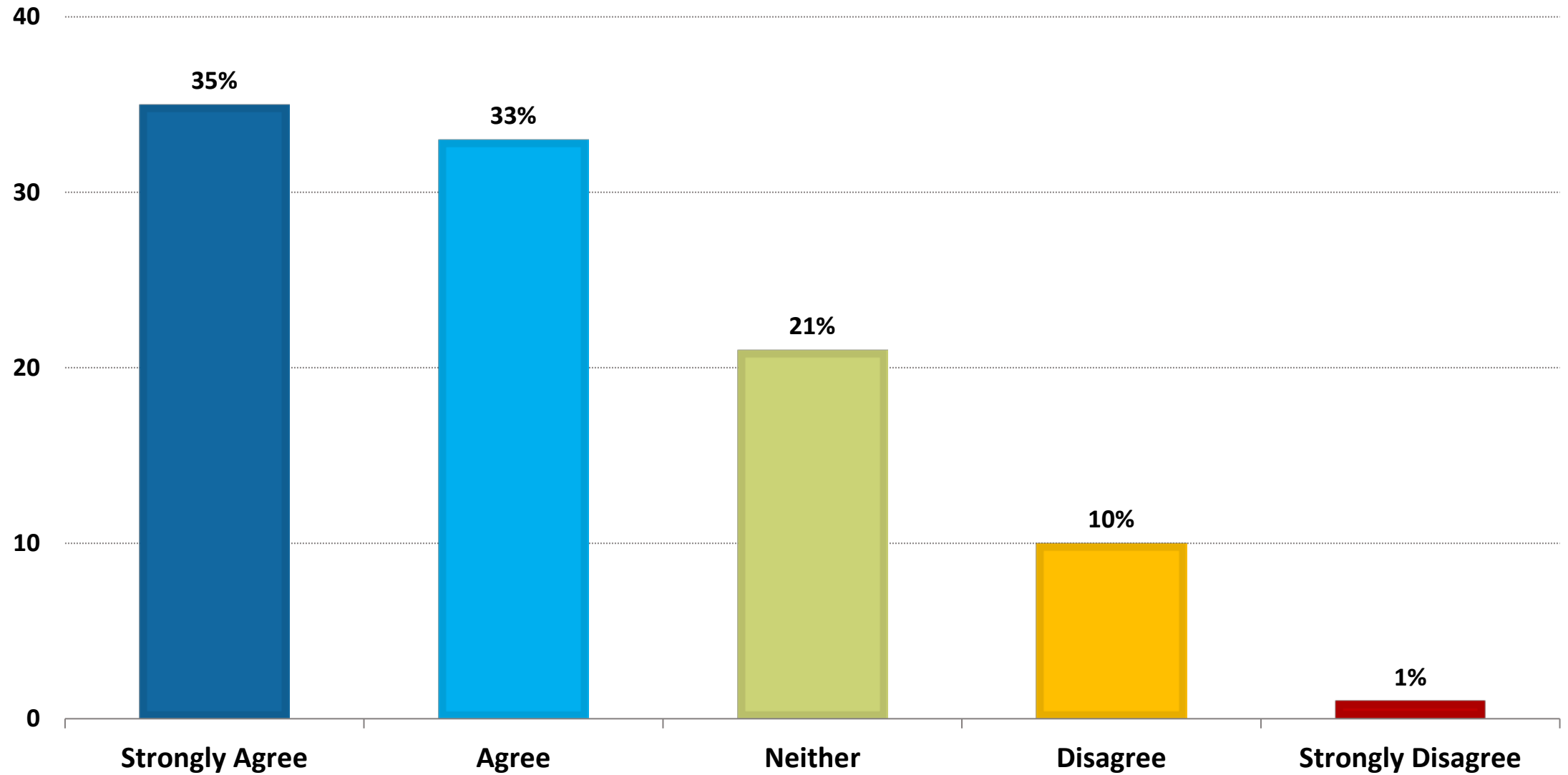
It is important that these homes stay affordable



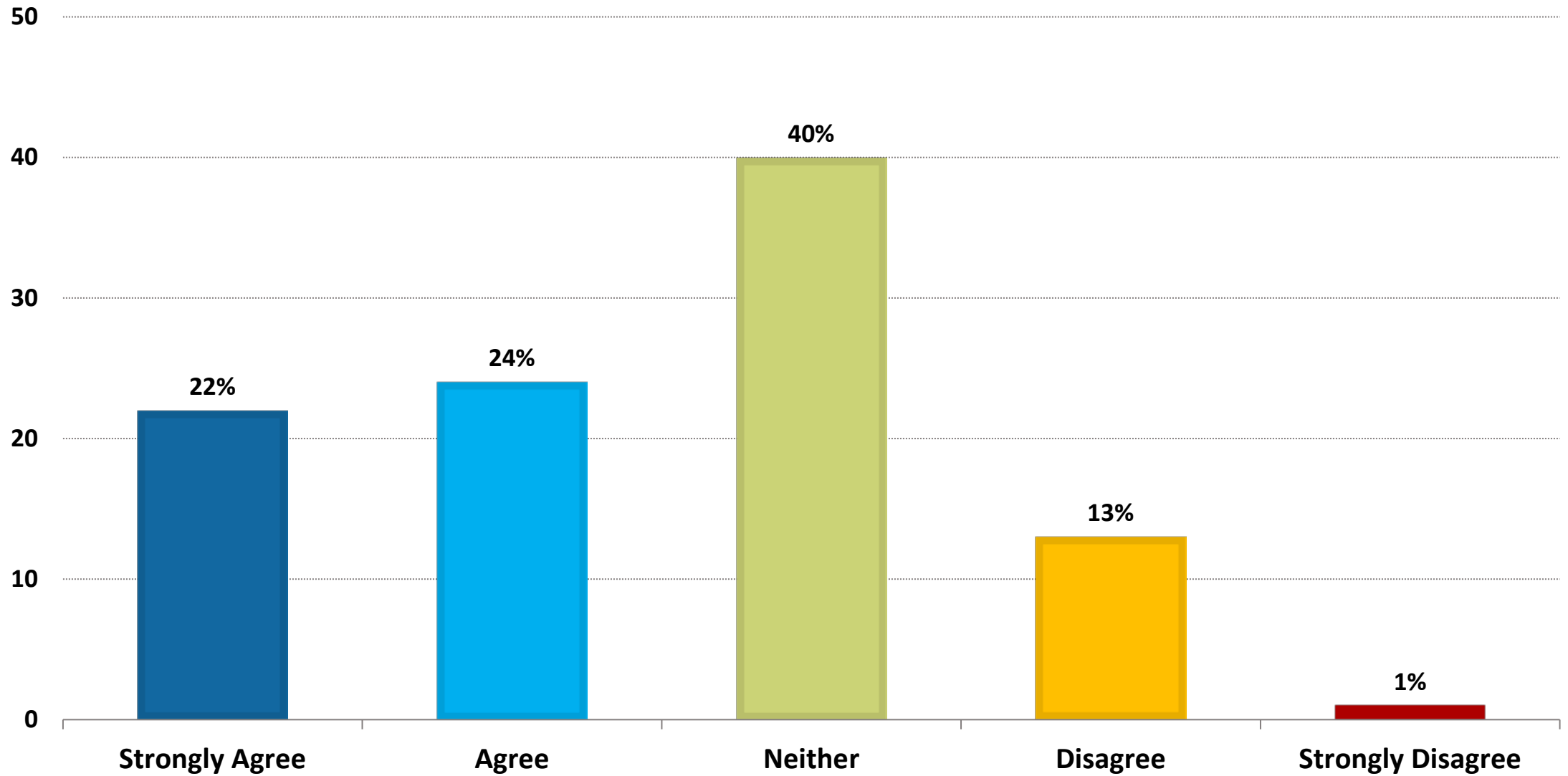
Value should increase at a steady, predictable rate



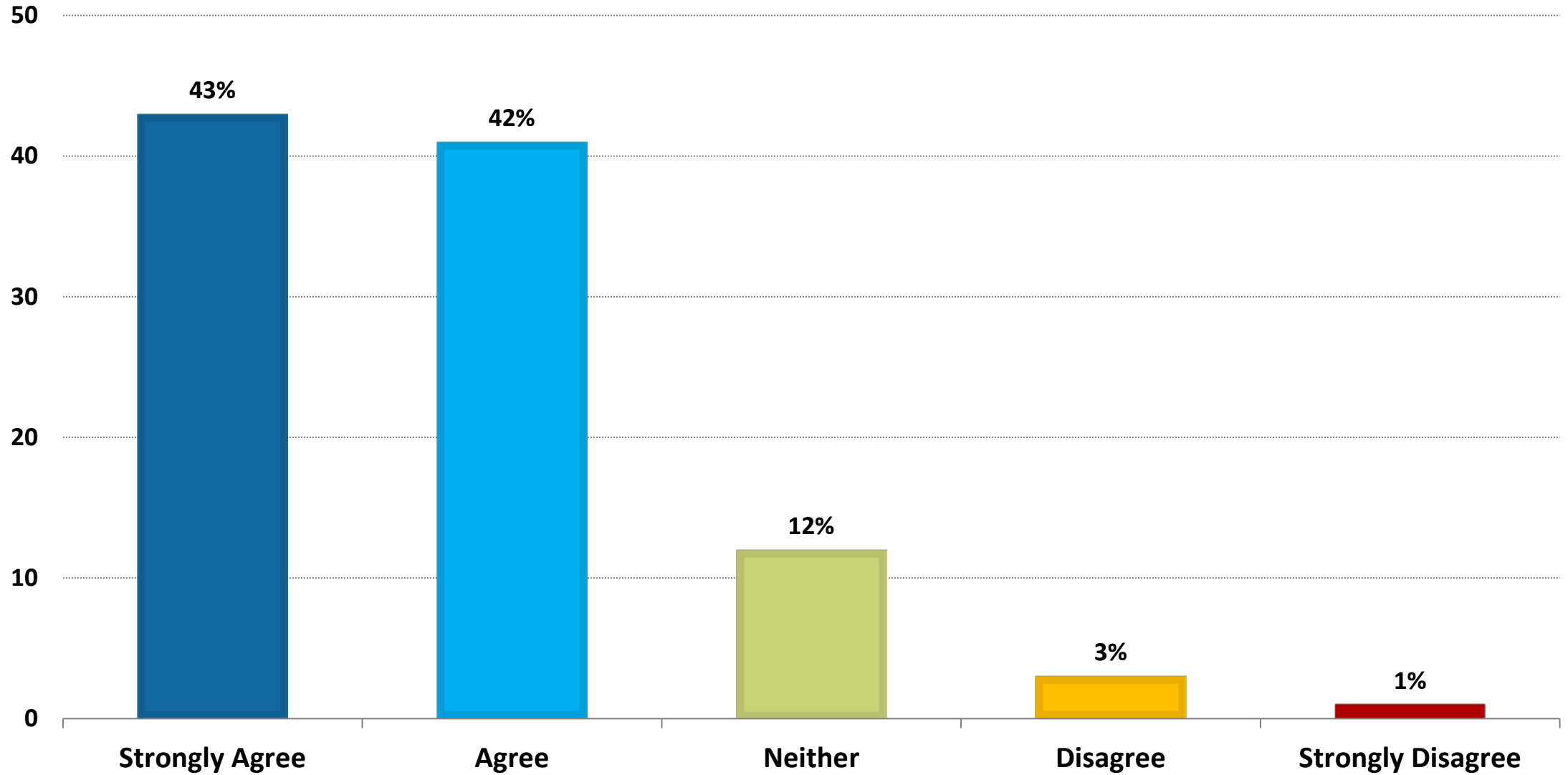
The value should not decrease, only increase



I would pay more for a home if it would increase more in value



It should be easy to understand how the value changes

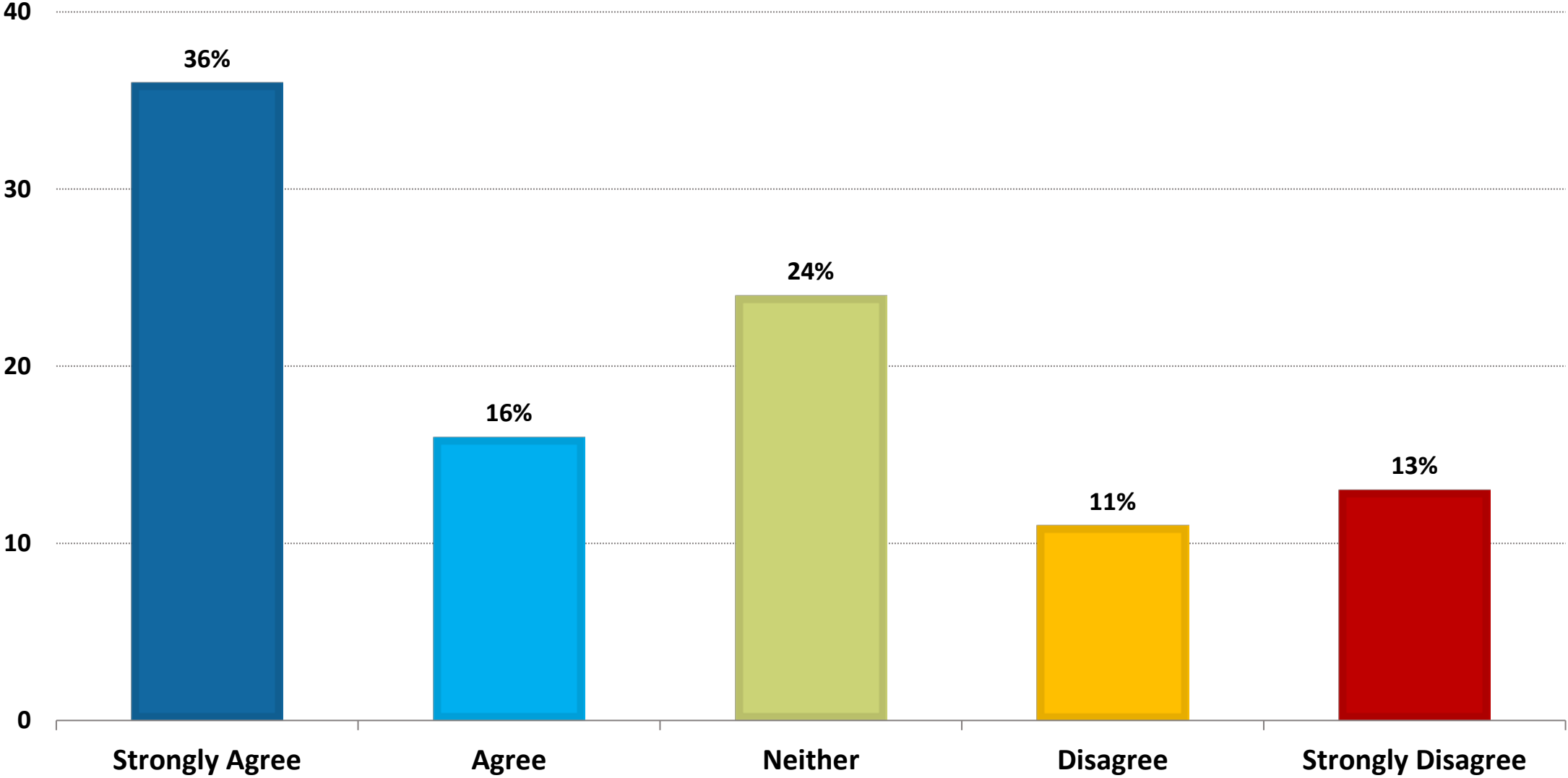


Priorities for Affordable Homeownership Program

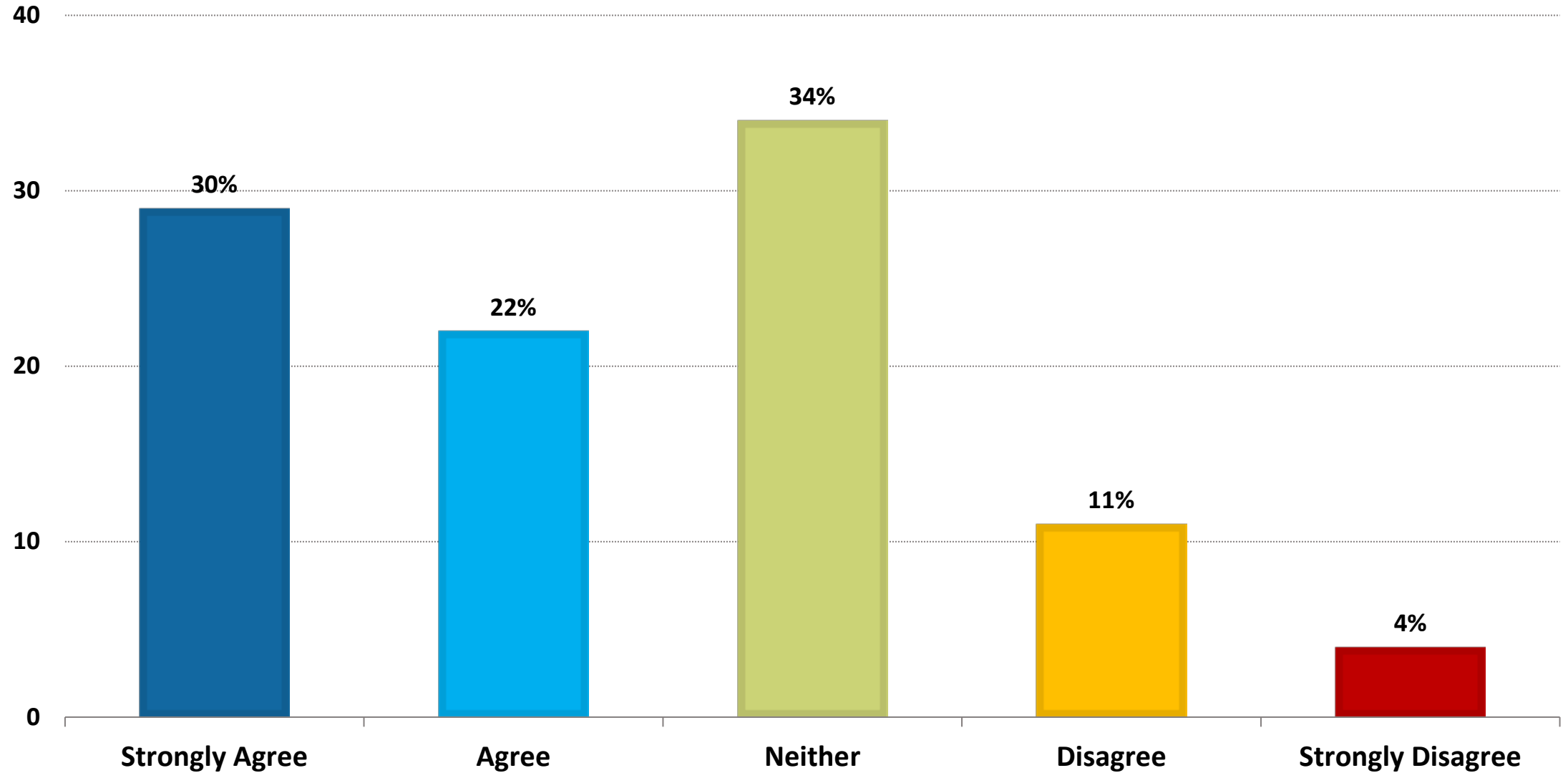
	Ranked Most Important - #1	Ranked Least Important - #5	Average Ranking
Provide low-cost housing	43%	3%	3.9
Allow residents to remain in community	35%	7%	3.8
Help keep community diverse	9%	24%	2.8
Build assets for owners	12%	18%	2.8
Provide enough profit to buy a market home	3%	49%	1.9

Views on Inheritance Policy

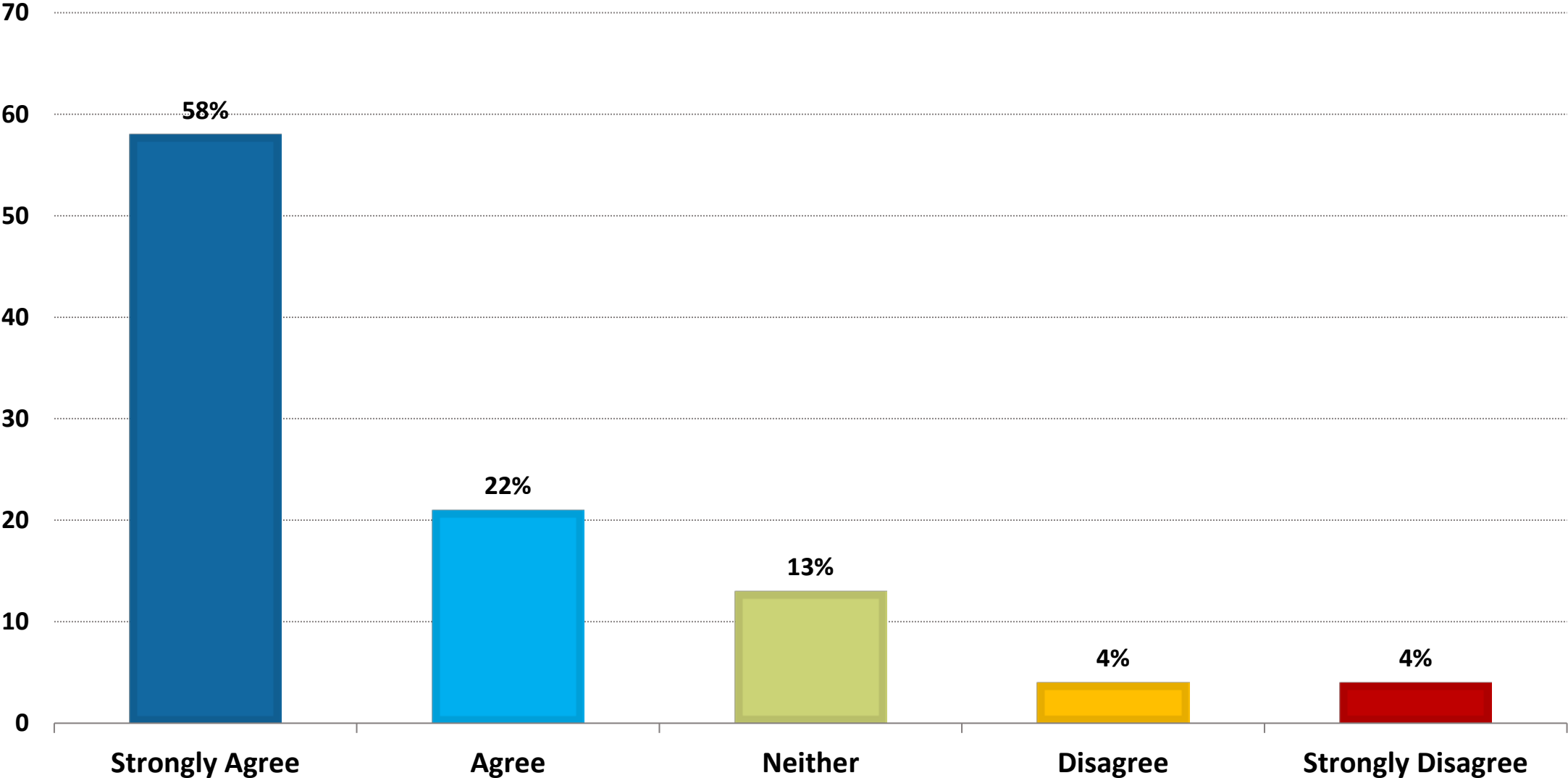
Owners should be able to leave their home to whomever they choose



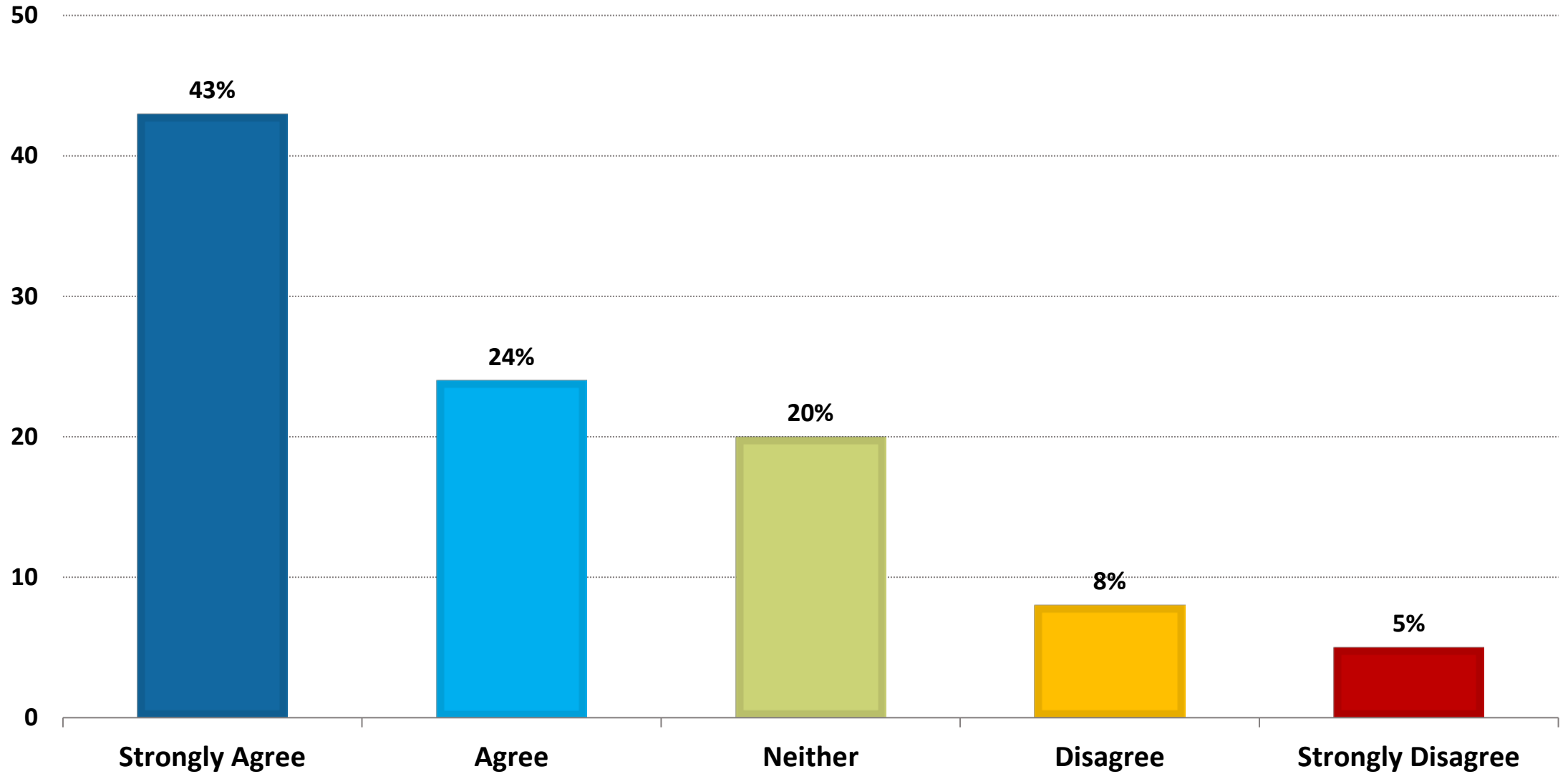
Inheritance should be allowed, even if fewer homes will become available



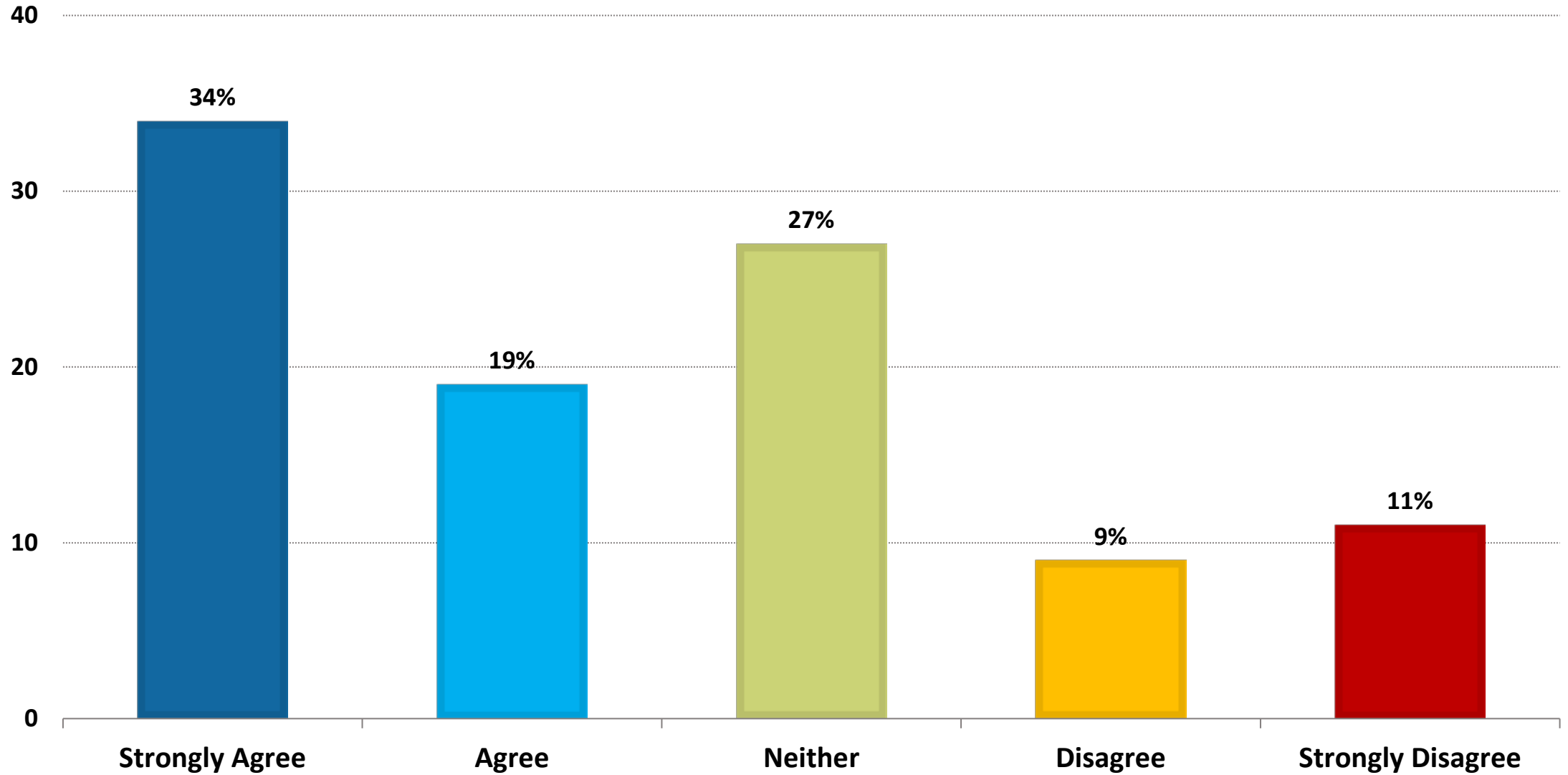
A close family member should be able to inherit



Someone already living in the home should be able to inherit



Making homes available is more important than allowing inheritance



Program Review Process Next Steps

- **City Council Housing Committee Tuesday, January 10 1-3 pm**
- Continuing consideration of alternative models and policies
- Development of recommendations
- Share draft recommendations from owners; opportunity for feedback
- Ongoing legal review of options





CITY OF CAMBRIDGE

Community Development Department

IRAM FAROOQ

*Assistant City Manager for
Community Development*

SANDRA CLARKE

*Deputy Director
Chief of Administration*

KHALIL MOGASSABI

*Deputy Director
Chief Planner*

MEMORANDUM

To: Affordable Housing Trust
From: Christopher Cotter, Housing Director
Date: December 20, 2022
Re: Suggested Change to Affordable Housing Overlay zoning provisions

As we discussed at our last meeting, suggested amendments to the Affordable Housing Overlay (AHO) zoning provisions were recently brought to the City Council as a policy order by several City Councillors.

These amendments were discussed by the City Council on November 21, 2022. The Council adopted a policy order to refer the suggested amendments for discussion by both the Housing Committee and Neighborhood & Long Term Planning, Public Facilities, Arts & Celebration Committees. We expect both committees to schedule meetings to discuss the suggested amendments, and will alert you when we know of dates for those meetings.

At our last meeting, several Trust members noted these amendments which had just been filed. We noted that we would plan for a discussion of the suggested changes at our December meeting. To assist with this discussion, we are attaching the following material from the City Council discussion:

- Policy Order regarding Amendments to the Affordable Housing Overlay (11/21/22)
- Communication regarding Amendments to the Affordable Housing Overlay (11/21/22)

We look forward to the Trust's discussion of the suggested amendment



**Cambridge City
MA**

**Policy Order
POR 2022 #306**

Order Adopted as
Amended
Nov 21, 2022 5:30 PM

Amendments to the Affordable Housing Overlay.

Information

Department:	City Clerk's Office, BA	Sponsors:	Councillor Burhan Azeem, Councillor Marc C. McGovern, Councillor E. Denise Simmons, Councillor Quinton Zondervan
Category:	Policy Order		

Attachments

[Printout](#)
[AHOpolicyorder](#)
[AHOcommunication](#)
[Original Order _15_2022_306](#)

Body

-
- WHEREAS: The Affordable Housing Overlay (AHO) has so far generated a healthy pipeline of six projects since it was first ordained in 2020; and
- WHEREAS: Though there is much to celebrate about the work that has been done, two years of implementation have also revealed that the somewhat inflexible dimensional requirements of the AHO have proven to be more of an obstacle than expected; and
- WHEREAS: The recent [annual report](#) revealed ten instances where affordable housing providers “decided not to pursue” and four instances where they actually made an offer but it was rejected; and
- WHEREAS: The proposal to build 49 affordable units at 2072 Mass Ave was not able to take advantage of the AHO and was withdrawn in August 2021 after it became apparent that a feasible version of the project wouldn’t be approved under 40B; and
- WHEREAS: It is clear that some refinements to the AHO would result in more new affordable housing and fewer missed or stalled opportunities; and
- WHEREAS: Offering substantially relaxed dimensional requirements on a citywide network of corridors and squares will allow more projects to advance, especially considering the recent linkage fee increase; and
- WHEREAS: Permitting additional height when green area open space is protected or expanded will add flexibility and expand options around providing such space without sacrificing any affordable housing production; and
- WHEREAS: The active affordable housing developers in Cambridge are in agreement that these changes will make a big difference; now therefore be it

ORDERED: That the City Council refer the attached zoning petition to the Housing and Neighborhood & Long Term Planning, Public Facilities, Arts & Celebration Committees

11.207.5.1 General Provisions

- (a) For the purposes of this Section, the phrase "District Development Standards" shall refer to the development standards of the base zoning district as they may be modified by the development standards of all overlay districts (with the exception of this Affordable Housing Overlay) that are applicable to a lot.
- (b) District Dimensional Standards shall include the most permissive standards allowable on a lot, whether such standards are permitted as-of-right or allowable by special permit. A District Dimensional Standard that is allowable by special permit shall include any non discretionary requirements or limitations that would otherwise apply.
- (c) An AHO Project that conforms to the following development standards shall not be subject to other limitations that may be set forth in Article 5.000 or other Sections of this Zoning Ordinance, except as otherwise stated in this Section.
- (d) For the purposes of this Section, the phrase "AHO Corridor" refers to Albany Street, Alewife Brook Parkway, Bishop Allen Drive, Broadway, Cambridge Street, Concord Avenue, First Street, Fresh Pond Parkway, Massachusetts Avenue, Memorial Drive, Mount Auburn Street, Prospect Street, and Sidney Street. For the purposes of this Section, the phrase "AHO Corridor Project" shall mean an AHO Project on one or more directly abutting Lots owned by the same entity, where at least one of the Lot Lines abuts an AHO Corridor.
- (e) For the purposes of this Section, the phrase "AHO Square" refers to the Central Square, Harvard Square and Lesley Porter Overlay Districts, as well as any Lot or directly adjacent Lots owned by the same entity, where at least one of the Lot Lines abuts the northern side of Massachusetts Avenue or Somerville Avenue between Davenport and the city border (just west of Acadia Park), or either Webster Avenue or Columbia Street, north of Cambridge Street.

11.207.5.2 Dimensional Standards for AHO Projects

11.207.5.2.1 Building Height and Stories Above Grade. For an AHO Project, the standards set forth below shall apply in place of any building height limitations set forth in the District Development Standards.

- (a) Where the District Dimensional Standards set forth a maximum residential building height of forty (40) feet or less, an AHO Project shall contain no more than four (4) Stories Above Grade and shall have a maximum height of forty-five (45) feet, as measured from existing Grade. For AHO Projects containing active non-residential uses on the ground floor, the maximum height may be increased to fifty (50) feet but the number of Stories Above Grade shall not exceed four (4) stories.
- (b) Where the District Dimensional Standards set forth a maximum residential building height of more than forty (40) feet but not more than ~~sixty-five (65) fifty (50)~~ feet, an AHO Project shall contain no more than ~~nine (9) six (6)~~ Stories Above Grade and shall have a maximum height of ~~one hundred (100) sixty-five (65)~~ feet, as measured

from existing Grade, except as further limited below. ~~For AHO Projects containing active non-residential uses on the ground floor, the maximum height may be increased to seventy (70) feet but the number of Stories Above Grade shall not exceed six (6) stories.~~

- (i) Except where the AHO Project abuts a non-residential use, portions of an AHO Project that are within thirty-five (35) feet of a ~~parcel subject to paragraph (a) district whose District Dimensional Standards allow a maximum residential building height of forty (40) feet or less~~ (a) shall be limited by the provisions of Paragraph (a) above, except that if the AHO project parcel extends into that District, then the height limitation shall only extend thirty-five (35) feet from the property line.
- (c) Where the District Dimensional Standards set forth a maximum residential building height of more than ~~sixty-five (65) fifty (50)~~ feet, or if the project is an AHO Corridor Project, an AHO Project shall contain no more than ~~thirteen (13) seven (7)~~ Stories Above Grade and shall have a maximum height of ~~one hundred and fifty (150) eighty (80)~~ feet, as measured from existing Grade, except as further limited below.
- (d) An AHO Square Project shall have a maximum height of twenty-five (25) stories, or two hundred and eighty (280) feet, except as further limited below.
- (e) ~~(d)~~ The Height Exceptions set forth in Section 5.23 of this Zoning Ordinance shall apply when determining the building height of an AHO Project.
- (f) For an AHO Project with more than one base zoning district, the base zoning district that covers the majority of the lot shall apply.

11.207.5.2.2 Residential Density

- (a) Where the District Dimensional Standards establish a maximum floor area ratio (FAR) of less than 1.00, an AHO Project shall not exceed an FAR of 2.00. Otherwise, there shall be no maximum FAR for an AHO Project. ~~There shall be no maximum FAR for AHO Square or AHO Corridor projects.~~

11.207.5.2.3 Yard Setbacks

- (a) For the purpose of this Section, the applicable District Dimensional Standards shall not include yard setback requirements based on a formula calculation as provided in Section 5.24.4 of the Zoning Ordinance, but shall include non-derived minimum yard setback requirements set forth in Article 5.000 or other Sections of this Zoning Ordinance.
- (b) Front Yards. An AHO Project shall have ~~a minimum front yard setback of 15 feet, except where the District Dimensional Standards establish a less restrictive requirement, or may be reduced to the average of the front yard setbacks of the four (4) nearest pre-existing principal buildings that contain at least two Stories Above Grade and directly front the same side of the street as the AHO Project, or may be reduced to a minimum of ten (10) feet in the case of an AHO Project on a corner lot. Where the District Dimensional Standards set forth different requirements for residential and non-residential uses, the non-residential front yard setback requirement shall apply to the entire AHO Project if the Ground Story contains a non-residential use as set forth in Section 11.207.4 Paragraph (b) above; otherwise, the residential front yard setback shall apply.~~no minimum front yard setback requirement.
- (c) Side Yards. An AHO Project shall have ~~a minimum side yard setback of seven and one-half (7.5) two and one-half (2.5) feet, or may be reduced to the minimum side yard setback set forth in the District Dimensional Standards for residential uses that is not derived by formula if it is less restrictive.~~no minimum side yard setback requirement.
- (d) Rear Yards. An AHO Project with a height of less than 4 stories or 45 feet, shall have a minimum rear yard setback of ~~fifteen (15) twenty (20)~~ feet or may be reduced to the minimum rear yard setback set forth in the District Dimensional Standards for residential uses that is not derived by formula if it is less restrictive. ~~For all other AHO projects, no minimum rear yard setback is required.~~
- (e) Projecting eaves, chimneys, bay windows, balconies, open fire escapes and like projections which do not project more than three and one-half (3.5) feet from the principal exterior wall plane, and unenclosed steps, unroofed porches and the like which do not project more than ten (10) feet beyond the line of the foundation wall and which are not over four (4) feet above Grade, may extend beyond the minimum yard setback.
- (f) Bicycle parking spaces, whether short-term or long-term, and appurtenant structures such as coverings, sheds, or storage lockers may be located within a required yard setback but no closer than seven and one-half (7.5) feet to an existing principal residential structure on an abutting lot.

11.207.5.2.4 Open Space

- (a) Except where the District Dimensional Standards establish a less restrictive requirement or as otherwise provided below, the minimum percentage of open space to lot area for an AHO Project shall be thirty percent (30%). However, the minimum percentage of open space to lot area may be reduced to no less than fifteen percent (15%) if the AHO Project includes the preservation and protection of an existing building included on the State Register of Historic Places.
- (b) The required open space shall be considered Private Open Space but shall be subject to the limitations set forth below and shall not be subject to the dimensional and other limitations set forth in Section 5.22 of this Zoning Ordinance. Private Open Space shall exclude parking and driveways for automobiles.
- (c) All of the required open space that is located at grade shall meet the definition of Permeable Open Space as set forth in this Zoning Ordinance.
- (d) The required open space shall be located at Grade or on porches and decks that are no higher than the floor elevation of the lowest Story Above Grade, except that up to twenty five percent (25%) of the required open space may be located at higher levels, such as balconies and decks, only if it is accessible to all occupants of the building.
- (e) For the purpose of this Affordable Housing Overlay, area used for covered or uncovered bicycle parking spaces that are not contained within a building shall be considered Private Open Space.
- (f) In any AHO project where pre-existing contiguous Green Area Open Space will be preserved and/or expanded, or new Green Area Open Space will be created, in excess of what would otherwise be required for the project, including through consolidation and/or relocation of some portion of the Green Area Open Space to another part of the lot, without reducing the size of any contiguous portion, the project may exceed the applicable height limit without restriction, provided that the maximum possible FAR for the lot shall not be exceeded. If the AHO project is not subject to an FAR restriction, the effective FAR not to be exceeded under this provision shall be calculated using the dimensional requirements that apply to the AHO project, including the original height restriction and open space requirements.

Meeting History

Nov 21, 2022 5:30 PM **City Council** **Regular Meeting**

RESULT: **ORDER ADOPTED AS AMENDED [8 TO 1]**

YEAS: Burhan Azeem, Dennis J. Carlone, Alanna Mallon, Marc C. McGovern, Patricia Nolan, E. Denise Simmons, Paul F. Toner, Sumbul Siddiqui

NAYS: Quinton Zondervan



CAMBRIDGE

CITY COUNCIL

Burhan Azeem
City Councillor

Marc McGovern
City Councillor

E. Denise Simmons
City Councillor

Quinton Y. Zondervan
City Councillor

To the Honorable, the City Council:

Please find enclosed the following resources.

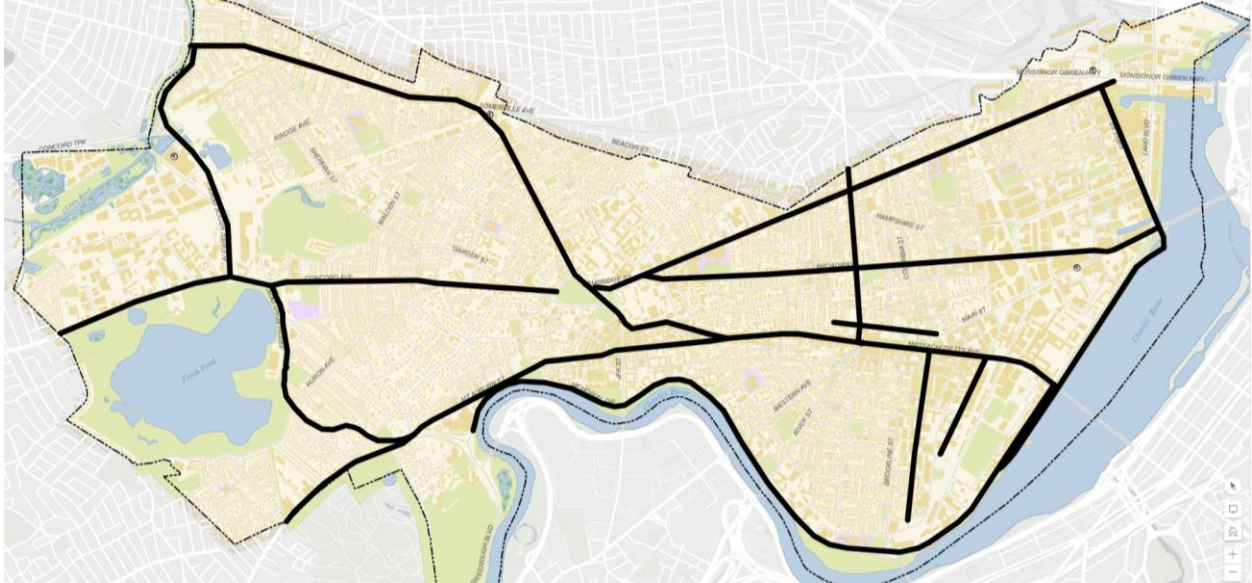
1. AHO pipeline as stands in November 2022
2. Map of envisioned AHO Corridor network
3. Map of envisioned AHO Square network
4. Map showing both AHO Corridors and AHO Squares at once

We hope that they will be helpful as we begin a discussion of amending the Affordable Housing Overlay.

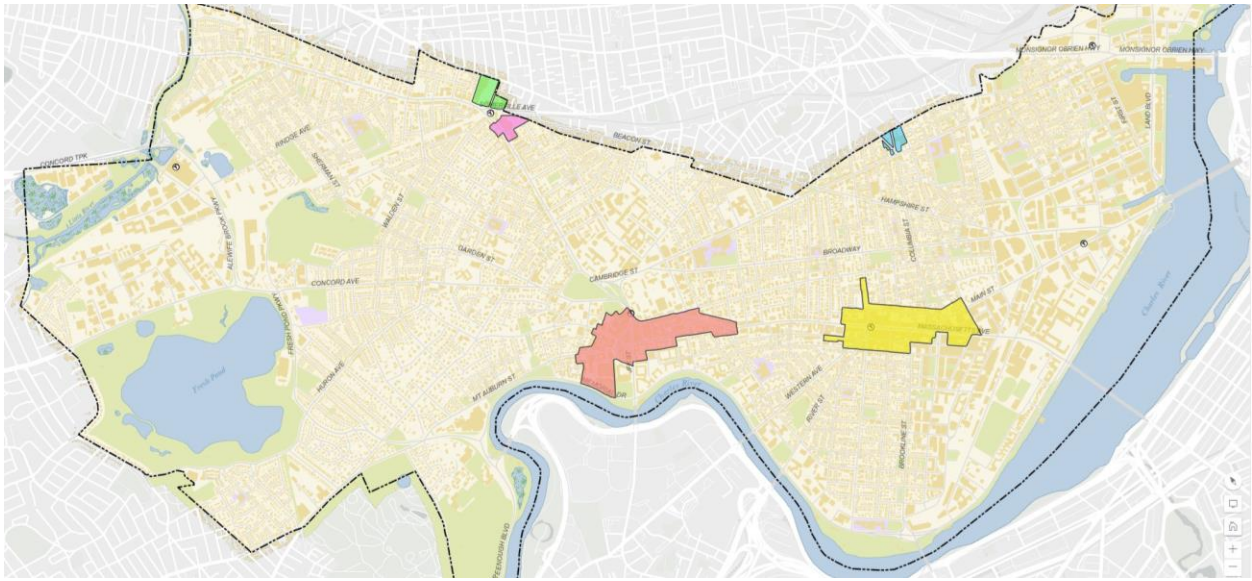
1. AHO Pipeline (as of November 2022):

Project	Developer	Net new units	Type	Status
New Street	JAS	107	Acquisition	Process complete
Jefferson Park	CHA	103	Existing parcel	Process complete
Sacred Heart	POAH	46	Acquisition	Process complete
116 Norfolk	CHA	25	Existing parcel	Process complete
Walden Square 2	Winn	96	Existing parcel	Process stalled
1627 Mass Ave	HRI	TBD	Acquisition	Upcoming

2. Map of the envisioned network of AHO Corridors:



3. Map of the envisioned network of AHO Squares:



4. Map showing both the AHO Corridors and AHO Squares:

