

[As conformed to Final Vote of Cambridge City Council January 31, 2005]

MEMORANDUM OF AGREEMENT

between

CITY OF CAMBRIDGE

and

HARVARD UNIVERSITY

Renewing the

PAYMENT IN LIEU OF TAX AGREEMENT

Dated as of November 26, 1990

Updated as of February 5, 1991

Amended and Restated as of June 1, 1992

Amended and Restated as of November 30, 1996

Renewed as of July 1, 2004

This Memorandum of Agreement ("Memorandum") renews the Payment in Lieu of Tax Agreement dated as of November 26, 1990, as amended (the "Initial Agreement").

As used in the Memorandum, the following terms have the following meanings:

- Cambridge: The City of Cambridge with an address c/o City Manager, City of Cambridge, City Hall, 795 Massachusetts Avenue, Cambridge, Massachusetts 02139.
- Harvard: President and Fellows of Harvard College, a charitable and educational corporation existing under the laws and Constitution of The Commonwealth of Massachusetts, with an address c/o Harvard Planning and Real Estate, Holyoke Center, Suite 912, Cambridge, Massachusetts 02138-3826. References to "Harvard" includes Harvard's affiliated corporations.
- PILOT Property: Each of the various premises listed on Exhibit A attached hereto, and hereby incorporated herein by reference, all of which are referred to as the "PILOT Properties."
- Term: Twenty years, commencing on July 1, 2004, and ending on June 30, 2024, subject to extension through June 30, 2054 as stated in Section 4.

Fiscal Year: The twelve-month accounting period ending on the June 30 that precedes the Annual Due Date.

Annual Due Date: Each December 1 occurring during the Term of this Memorandum. The first Annual Due Date is December 1, 2004.

Semi-Annual Due Dates: Each December 1 and June 30 of each Fiscal Year covered by this Memorandum, beginning with the Fiscal Year commencing on July 1, 2004.

Threshold: \$766,718.00

Section 1. This Memorandum continues and renews the Initial Agreement. During the Term of this Memorandum Harvard will make as its voluntary contribution to Cambridge the amounts as described herein.

Section 2. Harvard will on or before each Semi-Annual Due Date pay to Cambridge one half of the "Annual Payment" (defined below) with respect to each of the PILOT Properties, as follows:

- (a) The amount of the first Annual Payment for each PILOT Property shall be equal to the "Base Amount" for that PILOT Property (as such Base Amount is listed on Exhibit A). For each subsequent Annual Payment, beginning with the Annual Payment due December 1, 1991, the Annual Payment for each PILOT Property shall be equal to the Base Amount for such PILOT Property multiplied by a fraction, the numerator of which is the Gross Rent for the individual PILOT Property for the Fiscal Year in question, and the denominator of which is the Gross Rent for such Property for the Base Year; provided, however, that
 - (i) the Annual Payment for such PILOT Property shall not exceed the lesser of either (A) the real estate taxes that would be payable with respect to such PILOT Property if it were not tax-exempt or (B) the Adjusted Tax applicable to such PILOT Property, and
 - (ii) if, in any year, the sum of the Annual Payments to be made under this Memorandum shall be less than the Threshold, then Harvard will make a voluntary payment to Cambridge in an amount equal to the difference, so that a total of at least the Threshold is paid annually to Cambridge.

- (b) If, in any year, the sum of the Annual Payments to be made under this Memorandum exceeds the Threshold, the excess shall be paid by Harvard into, added to, governed by, and disbursed in accordance with the Cambridge Affordable Housing Trust Fund, existing under Chapter 482 of the Acts of 1991.
- (c) "Gross Rent" for each PILOT Property shall be calculated for each Fiscal Year and shall equal the gross amount of rent received by Harvard for the residential use and occupancy of the PILOT Property paid by occupants other than Harvard and Harvard-affiliated non-profit entities (reduced by the costs of utilities, including without limitation, electricity, heat, air conditioning, water, and sewer use, that are attributable to the PILOT Property). Parking revenue is not included in Gross Rent.
- (d) "Base Year" shall be the Fiscal Year ending on June 30, 1990.
- (e) The "Adjusted Tax" for each PILOT Property shall equal the Base Tax for that PILOT Property (as listed in Exhibit A) multiplied by the City-wide Factor.
- (f) The "City-wide Factor" shall equal a fraction, the numerator of which is the total tax revenues received by Cambridge with respect to all residential (i.e., including multi-family rental residential property and single-family residential property) property in Cambridge (adjusted to remove the effect of assessment increases permitted by M. G. L. c. 59, § 21C(f) during the Fiscal Year in question (as certified to Harvard by Cambridge at least thirty days before the relevant Annual Due Date) and the denominator of which is the total tax revenues received by Cambridge with respect to all residential (as defined above) property (including those revenues permitted under M. G. L. c. 59, § 21C(f)) received by Cambridge during the Base Year. Harvard need not pay any of the Annual Payments until thirty days after Harvard receives such certification.
- (g) Additional Adjustments to Special PILOT Properties.
 - (i) 8-10 Mt. Auburn Street. With respect to the 8-10 Mt. Auburn Street PILOT Property, only the portion thereof used for residential purposes shall be deemed to be the "PILOT Property" for purposes of the calculations under this Memorandum with respect to the 8-10 Mt. Auburn Street PILOT Property.
 - (ii) 10-20 DeWolfe Street. With respect to the 10-20 DeWolfe Street PILOT Property, the entire premises will be tax-exempt under M.G.L. c. 59, §5, clause Third, except for the "Non-Exempt

Apartments," namely the apartment units that are occupied (as of January 1 each year) by faculty members and Harvard employees who are not required by reason of their employment to reside in 10-20 DeWolfe Street. Masters, proctors, resident advisers, and tutors are examples of faculty members, instructors, and employees who are required to live in their apartment units as a requirement of their employment with Harvard. The Annual Payment for 10-20 DeWolfe Street PILOT Property will be calculated each Fiscal Year (beginning after June 30, 1992) by reference to Gross Rent received from all apartments in the property (reduced by the costs of utilities, including without limitation, water and sewer use charges); provided, however, that Harvard shall be entitled to take as a credit against the sum of Annual Payments due for each Fiscal Year, an amount equal to any real estate taxes assessed against the 10-20 DeWolfe Street PILOT Property, for such Fiscal Year (with appropriate adjustments to be made immediately after the final conclusion of any tax abatement proceedings, whether concluded by settlement or otherwise). If Harvard takes such a credit, Harvard will be under no obligation under Section 2(a)(ii) to make a voluntary payment with respect to the credit. Before March 1, of each year that this Memorandum is in effect, Harvard will inform Cambridge, via the Form ABC or otherwise, of the number of Non-Exempt Apartments, which number shall be the numerator of a fraction which has a denominator of 80 (such number being the total number of apartments in the 10-20 DeWolfe Street PILOT Property.) Such fraction shall be multiplied by the assessed value only of all 80 apartments to determine the assessed value of the Non-Exempt Apartments.

- (h) The foregoing Subsections 2(a) – 2(g) are continued from the Initial Agreement. This Memorandum lists on Exhibit E properties that could potentially become PILOT Properties, and if any of such properties are exempted by Cambridge from real estate taxes, they shall be added to this Memorandum as a PILOT Property by an "Update" to this Memorandum signed by Harvard and Cambridge. If on January 1 of any year, a unit or apartment in any property on Exhibit E that is added as a PILOT Property is a "Non-Exempt Apartment," such unit will be reported by Harvard via the Form 3ABC as a Non-Exempt Apartment with respect to the following Fiscal Year and any real estate taxes assessed on such unit will be deducted from any Annual Payment due with respect to such PILOT Property for such Fiscal Year. The allocation shall be made using the same methodology as for the 10-20 DeWolfe Street PILOT Property as described in Section 2(g) above.

- (i) At such time as the graduate student housing project at 888 Memorial Drive (“888 Memorial Drive”) is issued a building permit, (1) it will be deemed tax exempt as of the January 1 next following the issuance of the building permit upon Harvard’s submittal of a Form 3ABC in proper form, and (2) 888 Memorial Drive will be added as a PILOT Property by an Update to this Memorandum executed by Harvard and delivered to Cambridge. For purposes of this subsection 2(i), the “Lease Year” for 888 Memorial Drive shall be the period September 1-August 31 of each year until Harvard selects a different Lease Year, in which case appropriate adjustments will be made to prorate the Gross Rent for 888 Memorial Drive. Beginning with the Fiscal Year following the occurrence of both the first full Lease Year (i.e., the Lease Year in which all apartment units in 888 Memorial Drive were available for occupancy) and the tax exemption of 888 Memorial Drive, Harvard will pay as an Annual Payment with respect to the 888 Memorial Drive premises, an amount equal to 8.3% of the Gross Rents received by Harvard during the Lease Year that ended prior to the Fiscal Year in which the Annual Payment is to be made.

Section 3. While this Memorandum is in effect, Cambridge will not assess any of the Properties¹ for taxes or similar charges, although Cambridge may update the assessed value placed on any of the Properties so long as (a) the valuation is performed in the same manner as for other Cambridge tax valuation purposes and is legally and correctly performed using valid, recognized valuation methods which do not discriminate against Harvard or the Property, which methods and the related worksheets and calculations shall be available for inspection by Harvard, and (b) the valuation is not in excess of the fair market value of the Property, is not assessed at a greater percentage of value than other similar property, is not disproportionately valued, is not disproportionately rated or classified, is not in excess of values for comparable properties that are owned by persons not exempt from federal income tax, or is not otherwise in violation of M. G. L. c. 59, the Constitution of The Commonwealth of Massachusetts, the Equal Protection Clause of the Fourteenth Amendment of the Constitution of the United States, or other applicable law. Harvard shall have full right to contest by abatement, administrative or legal proceedings, or otherwise, the amount or basis of any assessed value placed at any time on any of the Properties by Cambridge.

Section 4. This Memorandum shall not be binding on Harvard unless and until Cambridge has completed the actions necessary to reflect that all of the Properties are exempt from taxation under M. G. L. c. 59, § 5, Clause Third, as specified by Harvard in its FY04 and FY 05 Form 3 ABC’s most recently filed with Cambridge. This Memorandum shall be in effect for an “Initial Term” of twenty years ending on June 30, 2024, but will continue thereafter for three successive 10-year terms (“Extension Terms”) until June 30, 2054, unless at least six months before the end of the Initial Term or any such Extension Term, either Harvard or

¹References to “Property” and “Properties” in Sections 3, 4, and 5, apply to PILOT Properties and Converted Premises.

Cambridge by written notice to the other, terminates this Memorandum, which termination shall be effective as of the end of the Initial Term or the then-existing Extension Term, as the case may be, in which the notice was given.

Section 5. If Cambridge subsequently assesses any taxes, fees, charges, or payments whatsoever ("Other Payments") in respect to any of Harvard's tax-exempt properties or assesses or imposes any charges or taxes or charges in the nature of or having the effect of a tax on Harvard or any of Harvard's property or operations that are applicable solely to Harvard, are imposed in a manner that discriminates against Harvard, or are disproportionately applicable to (or disproportionately enforced against) Harvard or Harvard's property, then in such event, in addition to any other right that Harvard may have, Harvard may (a) contest the making of such Other Payments or (b) may offset (i.e., deduct) such Other Payments from the Annual Payments and pay the Other Payments under protest reserving Harvard's rights. The term "Other Payments" shall include, without limitation, license fees imposed under M. G. L. c. 140, §§ 23 *et. seq.*, for properties not offered to the public for occupancy, and the term "Other Payments" shall exclude water and sewer use charges, and the like, but only if they are uniformly applicable to similar property (regardless of ownership or use) in the City of Cambridge. Payments by Harvard to Cambridge in connection with procedures to exempt any of the Properties from real estate taxes and payments to obtain abatements due Harvard may be offset as "Other Payments" against payments to be made under this Memorandum.

[NOTE: The following Section 6 is set forth in the form that it appeared in the Initial Agreement. References to the sale in the following Section 6(a) should be read in light of the fact that sale of Harvard's formerly rent-controlled properties has been completed. Section 6(b) contains formulas for the calculation of real estate taxes in situations where certain apartment units are occupied by Protected Households, as defined in Section 6(b) below. The reference to "Properties listed on Exhibit A, is to the PILOT Properties in this Renewed Agreement.]

Section 6. This paragraph 6 is a material part of Harvard's decision to offer for sale at significantly reduced prices certain of Harvard's formerly rent-controlled properties.

(a) In accordance with Amended Committee Report Order #5 of the Cambridge City Council, dated June 24, 1996, as amended by Order of the City Council dated September 9, 1996, a photocopy of which is attached hereto as Exhibit B (the "City Resolution"), Harvard has offered in a separate agreement to sell to Cambridge (or an affordable housing developer designated by Cambridge that is acceptable to Harvard) on an "as-is" basis as to physical condition of the structures without covenants of title, certain of its formerly rent-controlled properties listed on Exhibit C (the "Affordable Housing Properties"), for an aggregate price of \$3,155,228, which Affordable Housing Properties will be used to provide affordable housing. Cambridge (or, if applicable, its designated developer) shall make an initial payment to Harvard for the Affordable Housing Properties in the amount of \$750,000. As used herein, the term "Annual Contribution" shall mean the sum of the Annual Payments to be made under this Memorandum in a Fiscal Year for the Properties listed on Exhibit A. To assist Cambridge (or

the designated developer) in the purchase and or renovation of the Affordable Housing Properties, Harvard agrees to accept payment of the remaining \$2,405,228 plus any additional closing adjustments and settlement costs (collectively, "Initial Balance") from Cambridge (or if applicable, the designated developer) in the form of credits and partial credits against (i) successive Annual Contributions that otherwise would be paid on the Annual Due Dates, notwithstanding subparagraphs 2(a)(ii) and 2(b) of this Memorandum, and (ii) other voluntary payments scheduled to be made by Harvard to Cambridge hereafter while any of the Initial Balance is outstanding. Cambridge agrees that after the closing date for the sale of the Affordable Housing Properties Harvard shall receive a credit for all amounts due to Cambridge under this Memorandum (and other voluntary payments scheduled to be paid by Harvard to Cambridge) until such time as the Initial Balance shall have been covered by such credits. The effect of the foregoing credits is that in the next three Fiscal Years, the Annual Contribution may be zero, and, in the following Fiscal Year, may be less than the Threshold. Unless Cambridge gives notice to Harvard before December 1, 1996, that either it or its designated developer declines to purchase any of the Affordable Housing Properties, no Annual Contribution will be made on December 1, 1996, for the Fiscal Year ending June 30, 1997, and no other voluntary contribution scheduled to be paid by Harvard to Cambridge after the date hereof will be paid; instead the payments that would have been made will be retained by Harvard and will be available as a credit against the Initial Balance; provided however, that if Cambridge (or its designated developer) for any reason elects not to purchase all or any of the Affordable Housing Properties, then upon the request of Cambridge, Harvard will promptly remit to Cambridge the pro rata portion of the retained amount that was attributable to the Affordable Housing Property(ies) that is(are) not to be purchased. Cambridge's representations and support set forth in the City Resolution are a material part of this Memorandum, without which Harvard would not have entered into the Initial Agreement. Cambridge's rights under this Section 6 are not assignable.

(b) As a part of the City Resolution, Harvard agreed to create a program to continue the rent increase protections for those Income Eligible households that were occupying Harvard's formerly rent-controlled properties on November 8, 1994 ("Protected Households"), for so long as such Protected Households who were Income Eligible on November 8, 1994, continue to meet the criteria of "Income Eligible" as such term is defined in Section 2(d) of Chapter 282 of the Acts of 1994 ("Chapter 282"). Cambridge has indicated that it will continue to assess for the purposes of property taxation any of Harvard's properties in which there are located Protected Households that receive rent increase protections, according to assessment practices mandated by the Massachusetts Department of Revenue. Because the presence of Protected Households in these properties may result in disproportionate real estate taxes in relation to the actual income of the property, Cambridge agrees that Harvard may take a credit ("Offset Credit") for the difference between the actual taxes levied on tax parcels with Protected Households and what the taxes would be if rental income restrictions were utilized in setting taxable value. Notwithstanding Section 2 of this Memorandum, the total of the Offset Credits will be taken against the Annual Contribution, or any other voluntary payment scheduled to be made by Harvard to Cambridge. The following formula shall be used to calculate the Offset Credit due under this subsection 6(b). First, the "Adjusted Tax Bill" shall be calculated as

follows: the real estate taxes (as billed each year to Harvard in the real estate tax bill ("Original Tax Bill")) for each tax parcel (i.e., land and building) that contains a Protected Household, shall be multiplied by a fraction, the numerator of which is the total amount of rents due to Harvard from tenants in the parcel calculated by reference to the tenants' leases or tenancies, and the denominator of which is the gross amount of rents due to Harvard from all tenants in the tax parcel calculated by reference to the tenant's leases and or tenancies except that (for purposes of the denominator) the rents for the units occupied by Protected Households shall be increased to fair market rent. The Adjusted Tax Bill for the parcel shall be subtracted from the Original Tax Bill for the parcel, and the difference shall be the Offset Credit for such tax parcel. Use of the Offset Credit for a parcel shall not preclude Harvard from seeking an abatement with regard to the parcel or otherwise seek relief from the assessment or real estate taxes.

Section 7. In 2001, Harvard University announced the following policy:

"When Harvard is able to utilize newly acquired property to support its mission of education and research, resulting in withdrawal of the property from the tax rolls, Harvard will make voluntary payments for a substantial interval and at a level that reflects the impact of the acquisition on tax collection."

While this Memorandum is in effect, pursuant to that policy, if Harvard converts to tax exempt use property in Cambridge² after July 1, 2004, that is on the tax rolls, and the property is exempted from real estate taxes, then Harvard is prepared to make payments in lieu of taxes beginning with the Fiscal Year in which the exemption is approved, escalating such amount 3% per year, on condition that Cambridge does not interfere with Harvard's ability to use the real estate for its institutional uses. To implement that commitment, listed on **Exhibit F**, are certain properties (the land and buildings are referred to as "Converted Premises") that were subject to real estate taxes when Harvard purchased them and that have been subsequently converted to institutional use and are now exempt from real estate taxes. Cambridge agrees that the Converted Premises as currently used are exempt from real estate taxation. Harvard agrees to pay for each Converted Premises each year to the City of Cambridge (one-half to be paid on or before each Semi-Annual Due Date) an amount equal to the Escalated Base Amount, which will be an amount equal the to Base Amount listed for each Converted Parcel increased each year by 3%, but only so long as Harvard is not prohibited by zoning ordinances, other ordinances of Cambridge, or other regulations or votes of Cambridge from full use the properties for its institutional purposes permitted by Cambridge Zoning Ordinance (and legally existing non-conforming uses, Dover Amendment protections, variances and special permits applicable to any of the Converted Premises) existing on January 1, 2004. The foregoing does not exempt Harvard from complying with usual building code, safety, access, and other similar building requirements that are applicable to similar properties in Cambridge, so long as they are not applied in a discriminatory manner to the Converted Premises. With the consent of Cambridge, Harvard shall add the additional Converted Premises to **Exhibit F**, by an "Update" to this Memorandum,

² Existing residential properties that are exempted will be covered by Section 2(h); new residential rental properties constructed hereafter on non-residential parcels that are not on the tax rolls will be covered by Section 2(i).

together with the Base Amount³ applicable to the Converted Premises, such Base Amount to be adjusted by giving effect to the final conclusion of any tax abatement proceedings with regard to the Converted Premises.

Section 8. Harvard will make an initial one-time voluntary payment to the City of Cambridge of \$1,358,000 during Tax Year 2005. While this Memorandum is in effect, Harvard will pay as an "Annual Additional Voluntary Payment" the following amounts:

- (a) a payment of \$500,000 in Tax Year 2006; and
- (b) a payment in each subsequent Tax Year after Tax Year 2006 equal to the Annual Additional Voluntary Payment made in the previous Tax Year escalated at the annual rate of 3%.

One-half of each Annual Additional Voluntary Payment to be paid under (a) in Tax Year 2006 and under (b) in Tax Years thereafter, will be paid on the Semi-Annual Payment Dates. In the eleventh (Tax Year 2015), twenty-first (Tax Year 2025), thirty-first (Tax Year 2035), and forty-first year (Tax Year 2045) of this Memorandum, \$100,000 shall be added to the Annual Additional Voluntary Payment payable for such Tax Year.⁴ The Annual Additional Voluntary Payments under this Section 8, will be subject to offsets as provided in other Sections of this Memorandum, and are conditioned on Harvard's continued ability to use the Converted Premises for its institutional uses.

Section 9. This Memorandum does not affect the payments being made by Harvard with respect to the Riverside Trust Agreement or The Rowland Institute.

Section 10. The provisions of this Memorandum, which is executed in multiple counterparts, each being deemed an original and all of which shall be deemed to constitute one instrument, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. For reference, the 1991 Update to this Memorandum reflected the recalculation by the City of Cambridge Board of Assessors of the Base Tax and Base Amount for the 8-10 Mt. Auburn Street PILOT Property as listed in Exhibit A. The Amendment, dated June 1, 1992, reflected the addition of the 10-20 DeWolfe Street PILOT Property to this Memorandum, effective July 1, 1992. The November 30, 1996 Amendment reflected the basis for financing Cambridge's purchase of the Affordable Housing Properties, and the City Resolution. This Memorandum adds the explanatory Note in Section 6, and Sections 2(h), 2(i), 7, and 8.

[The next page is the signature page.]

³ The Base Amount will be the real estate taxes assessed as of the date of Harvard's submission to the City of Cambridge of an application for exemption on Form 3ABC or successor form of like import.

⁴ The effect of this is to "bump" the Annual Additional Voluntary Payment by \$100,000 every ten years.

PRESIDENT AND FELLOWS
OF HARVARD COLLEGE

By: _____

Lawrence W. Summers
President

CITY OF CAMBRIDGE

By: _____

Robert W. Healy
City Manager

By: _____

Faith D. McDonald
Director, Assessing Department

Attachments:

Exhibit A - List of PILOT Properties (as appearing in Initial Agreement)

Exhibit B - Copy of City Council Resolution

Exhibit C - List of Affordable Housing Properties

Exhibit D - List of Harvard's Remaining Formerly-Rent-Controlled Properties

Exhibit E - List of Additional PILOT Properties

Exhibit F - List of Converted Premises

EXHIBIT A

List of PILOT Properties

<u>Property</u>	<u>Base Amount</u>	<u>Base Tax</u>	<u>Base Year</u>
Peabody Terrace Apartment Complex	\$354,000	\$412,801	FY1990
Haskins Hall	45,000	60,301	FY1990
Holden Green	13,000	15,301	FY1990
Shaler Lane Apartment Complex	39,000	44,501	FY1990
29 Garden Street	64,000	75,500	FY1990
37-41 Kirkland Street (includes 18 Summer Road)	29,000	30,622	FY1990
8-10 Mt. Auburn Street	43,800	46,692	FY1990
10-20 DeWolfe Street*	<u>70,000</u>	<u>81,000</u>	FY1993
	\$657,800	\$766,718	

*Added as of July 1, 1992

EXHIBIT B

Copy of City Council Resolution

EXHIBIT B

Copy of City Council Resolution

CCM-107



City of Cambridge

Amended Order
Committee Report #5

IN CITY COUNCIL

June 24, 1996

- WHEREAS: The end of rent control has significantly reduced affordable housing opportunities in the City of Cambridge; and
- WHEREAS: Harvard University owns approximately five percent of the City's previously rent-controlled units; and
- WHEREAS: Harvard's physical resources support its critical teaching and research mission; and
- WHEREAS: Harvard University has proposed a housing program which would allocate approximately 26% of its overall formerly rent-controlled portfolio to use as affordable housing in Cambridge through either sales to the City or extended protection to tenants; and
- WHEREAS: Harvard has agreed to encourage longer-term tenants in properties on Prescott and Ware Streets due to the higher concentration of units thereby undertaking affirmative marketing of these properties to longer-term affiliates, agreeing to enter into longer-term leases in these properties, and exploring the use of the smaller buildings on Ware Street for use as faculty housing; and
- WHEREAS: Harvard agrees to pay property taxes or an equivalent payment in lieu of taxes on the formerly rent controlled buildings to be retained by Harvard; and
- WHEREAS: The City and Harvard will jointly plan transition zones, as suggested in the Riverside Neighborhood Study, in areas where higher density institutional uses now threaten low-rise residential zoning; and
- WHEREAS: Harvard has agreed to advocate that other Cambridge landlords follow its model of creating affordable housing; now therefore be it

ORDERED: That the Cambridge City Council supports and endorses the program that Harvard University has proposed for its formerly rent-controlled housing. This program consists of the following inseparable components:

- * For currently "protected" households now in Harvard's formerly rent-controlled housing (i.e., designated families, elderly and the disabled), the continuation of below-market rents consistent with those provided for in the expired statute (MGL Chapter 282) for as long as those households remain qualified based on the income criteria of said statute; and
- * The offer of sale of 100 apartment units of Harvard-owned housing to the City (or to a City-designated non-profit agency) at below market-value prices for the creation of permanent affordable housing; and
- * Use by Harvard of the remaining units to be sold Harvard affiliates (faculty, students and employees) through a process of gradual transition without eviction of tenants in good standing; and be it further

ORDERED: That the City Manager is hereby authorized to finalize arrangements with Harvard University concerning the financial terms for the affordable housing program, and to execute an agreement for implementation of Harvard's proposal; and be it further

ORDERED: That the City Manager be and hereby is requested to ensure that said agreement include an agreement that calls for Harvard to recognize its responsibility to pay either property taxes and/or an equivalent payment in lieu of taxes on the formerly rent controlled building to be retained by Harvard.

In City Council June 24, 1996
Adopted as amended by the affirmative vote of nine members.
Attest:- D. Margaret Drury, City Clerk.

A true copy,

ATTEST:-

D. Margaret Drury
D. Margaret Drury
City Clerk

City of Cambridge
City Council



City of Cambridge

IN CITY COUNCIL

September 9, 1996

COUNCILLOR DUEHAY

WHEREAS: The area of Prescott and Ware Streets is an important transition area between institutional and residential uses. Harvard has agreed to encourage longer-term tenants in properties on Prescott and Ware Street due to the higher concentration of these units in this transitional zone, thereby undertaking affirmative marketing of these properties to longer-term affiliates, agreeing to enter into longer-term leases in these properties, and exploring the use of these units, especially the smaller buildings on Ware Street for use as faculty housing, and to continue discussions with representatives of existing neighborhood organizations, now therefore be it

ORDERED: That the above language be incorporated into and made a part thereto of Amended Committee Report Order #5 of June 24, 1996.

EXHIBIT C

List of Affordable Housing Properties

<u>Property Address</u>	<u>Number of Units</u>
50-52 Trowbridge Street	35
64 Oxford Street	17
9-19 Sacramento Street	19
23 Wendell Street	3
25 Wendell Street	3
84 Wendell Street	6
22-24 Flagg Street	5
23-25 Athens Street	6
27-29 Athens Street	<u>6</u>
Total	100

To make the above properties affordable, Harvard is willing to sell them for a reduced price, the total of which is \$3,155,228.

EXHIBIT D

List of Harvard's Remaining Formerly-Rent-Controlled Properties

Property Address

1-2 Athens Terrace
3 Athens Terrace
4-6 Athens Terrace
33-35 Banks Street
41-43 Banks Street
47-49 Banks Street
472-474 Broadway
15 Cowperthwaite Street
15.5 Cowperthwaite Street
15 Everett Street
17 Everett Street
19 Everett Street
27 Everett Street
12-12.5 Grant Street
17 Grant Street
6-6.5 Grant Street
8 Grant Street
100-102 Hammond Street
74-76 Hammond Street
84/86/88/90 Hammond Street
94 Hammond Street
2 Holyoke Street
1306 Massachusetts Avenue.
8 Mellen Street
10 Mellen Street
12 Mellen Street
14-16 Mellen Street
18-18A Mellen Street
20 Mellen Street
4-6 Mt. Auburn Street
65 Mt. Auburn Street
101-102 Plympton Street
8 Plympton Street
16 Prescott Street
18 Prescott Street
20-20A Prescott Street
22-24 Prescott Street
85-95 Prescott Street

21-23 Sacramento Place
5A Sacramento Street
11 Sumner Street
3 Sumner Street
15 Ware Street
17 Ware Street
19 Ware Street
9-13A Ware Street
381 Western Avenue

EXHIBIT E

List of Additional PILOT Properties Subject to Section 2(h)

<u>PILOT Property</u>	<u>Base Amount</u>	<u>Base Tax</u>	<u>Base Year</u>
1-2 ATHENS TER			
3 ATHENS TER			
4 ATHENS TER			
33-35 BANKS ST			
37-39 BANKS ST (WARREN PLACE)			
41-43 BANKS ST			
47-49 BANKS ST			
472-474 BROADWAY			
15-15.5 COWPERTHWAITTE			
10 DEWOLFE			
27 ELMER ST			
33-33A ELMWOOD AVE			
15 EVERETT ST (Terry Terrace)			
27 EVERETT ST			
4-46 FERNALD DR (Botanic Gardens)			
23-25 FLAGG ST			
70 FRANCIS AVE (136 IRVING ST)			
87 GARDEN ST			
12-12.5 GRANT ST			
17 GRANT ST			
4 GRANT ST			
6 GRANT ST			
6.5 GRANT ST			
8 GRANT ST			
100-102 HAMMOND ST			
74-76 HAMMOND ST			
84/86/88/90 HAMMOND ST			
94 HAMMOND ST			
31 HOLYOKE ST			
41-45 WINTHROP ST			
10 MELLEN ST			
12 MELLEN ST			
14-16 MELLEN ST			
18-18A MELLEN ST			
20 MELLEN ST			
8 MELLEN ST			
4-6 MT AUBURN			

101-102 PLYMPTON ST			
16 PRESCOTT ST			
18 PRESCOTT ST			
20-20A PRESCOTT ST			
22-24 PRESCOTT ST			
85-95 PRESCOTT ST			
15 ROBINSON ST			
21 ROBINSON ST			
29 ROBINSON ST			
7 SACRAMENTO-5A			
11 SUMNER RD (11-15)			
5 SUMNER RD (3 SUMNER RD)			
36 WALKER ST			
11 WARE ST (9-13A WARE ST)			
15 WARE ST			
17 WARE ST			
19 WARE ST			
381-383 WESTERN AVE			
113 WALKER ST-FAS Added FY2003			
96 PRESCOTT ST			
Mixed-Use, Residential Portion			
1244-1256 MASS AVE -RES.(8 PLYMPTON)			
1304 MASS AVE-RESIDENTIAL			
1328 MASS. AVE-RESIDENTIAL(2-4-6 HOLYOKE)			
65 MT AUBURN-RESIDENTIAL			

EXHIBIT F
List of Converted Premises

<u>Property</u>	<u>Base Amount⁴</u>	<u>Base Fiscal Year</u>
65-67 Winthrop Street	\$ 37,315	2005
90-94 Mt. Auburn Street	\$ 5,882	2005
51 Brattle Street	<u>\$ 52,586</u>	2005
Subtotal ⁵	\$ 95,783	
88-90 Mt. Auburn Street	\$ 6,117	2005
4-12 Story Street	\$ 157,000	2005
126 Mt. Auburn Street	\$16,702	2005
26-28 Church Street	\$ 13,006	2005
12 Holyoke Street	\$ 33,006	2005
24-46 Blackstone Street ⁶	\$ 216,204	2005
153 Mt. Auburn Street	\$ 12,983	2005

4 The amounts in this column are the annual amounts to be paid in FY2005. Each will be increased by 3% for FY2006.

5 This subtotal was allocated among the Base Amounts for the above three properties based on FY2005 assessed values.

6 Blackstone Steam Station