

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
January 25, 2024 at 4:00 p.m.

Conducted via Zoom and in person (City Hall, Ackermann Room)

Trustees Present in Person: Yi-An Huang, Chair; Teresa Cardosi, Susan Schlesinger, Elaine Thorne

Trustees Present via Zoom: Florrie Darwin, Elaine DeRosa, Alyson Stein, Jim Stockard

Trustees Absent: Bill Tibbs

Staff Present: Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Senior Manager for Housing Development; Janet Haines, Housing Planner; Christine Yu, Associate Housing Development Planner; Anna Dolmatch, Senior Manager for Homeownership; Antonia Finley, Homebuyer Coordinator

Others Present: City Councilor Sumbul Siddiqui, Merrie Haile, Rachel Davis, Sue Reinert, Suzanne Blier, Underella Holloman, Gabrielle Regan, Kirsten Greco, Jay Marshall

The meeting was called to order at 4:02 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust would be held in a hybrid fashion pursuant to applicable requirements, that all votes would be taken by roll call, and that there would be no public comment. He then confirmed via roll call that each remote participant could hear the meeting and was audible to others.

Mr. Cotter noted that this was the first meeting for new Trust member Alyson Stein. Trust members and staff introduced themselves and welcomed Ms. Stein to the Trust.

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 January 11, 2024.

CDD UPDATE

52 New Street: JAS closed on construction financing in December 2023. Construction on the project is underway.

JP Federal: Demolition is complete and full construction will begin soon. CHA was awarded state funding through EOHLIC this week, which should be the final funding needed to move the development into construction.

Park View Cooperative: Construction is wrapping up and the last group of residents will be returning to the building this week.

4 Mellen/1627 Mass Ave: HRI completed the AHO process in December 2023. They are now working on assembling financing before construction.

49 6th Street: POAH was also awarded state funding through EOHLIC this week. They are requesting an additional commitment from the Trust to complete their funding, which will be brought to an upcoming meeting.

Neville Place: Staff is reviewing a request received on 1/23/24 from Neville Communities Inc. for an increase in the funds the Trust approved for Neville Place last year.

87-101 Blanchard Road: B'nai B'rith will have its first advisory design review meeting with the Planning Board on January 30.

OTHER UPDATES

Pathmark Units: CDD staff are working to complete sales of the 4 units affordable units here.

55 Wheeler Street: CDD staff are beginning the leasing process for 99 new affordable units.

Ms. Schlesinger asked if Walden Square has a Planning Board meeting scheduled yet. Mr. Cotter informed the Trust that nothing has been scheduled yet and that is expected to be scheduled in the next month or two.

Ms. Thorne asked if there are updates on the Print Shop. Ms. Dolmatch informed the Trust that CDD is working with the owners to close on funding the Trust approved to help them with needed repairs.

Ms. Schlesinger asked if there are any updates on Cherry Street. Mr. Cotter mentioned that JAS has been busy with other projects, but staff understand that they will turn their focus back on this project and begin work with the community soon.

NEW BUSINESS

Affordable Homeownership Program Changes – Continued Discussion

Mr. Cotter briefly introduced the proposed policy recommendations to the homeownership program as listed in the agenda packet and opened the floor to the Trust for discussion. Ms. Schlesinger commented that even though this process has been two years long, it has been worth it because the current homeowners in the program will get a little bit more equity. Ms. Stein asked for further explanation about the equity formula return as it relates to future affordability. Ms. Dolmatch answered that maintaining permanent affordability was a requirement for any changes to the formula. The proposed changes contain a provision which would cap prices based on the affordability level for each unit. The Trust has noted its willingness to allocate more funds to the program to re-subsidize units at the upper range of affordability. Ms. Stein asked if there is a waitlist for this program. Ms. Dolmatch answered that there are hundreds of Cambridge resident applicants in the Homeownership Resale Pool, so it is important to consider how we will continue to offer opportunities for people.

Ms. DeRosa asked if owners will be required to create a will. Mr. Cotter answered that that is something that needs to be discussed further internally and with the Law Department as the details of the specific approach have not been flushed out yet and will be once the approach to this new policy has been set by the Trust. Ms. Dolmatch added that staff would like to make this as easy as possible for owners to access.

Chair Huang commented that it would be helpful to clarify a section of the inheritance policy as to increases for partial years of ownership. The Trust discussed amending that provision of the draft vote.

Ms. Cardosi asked for clarification on whether a child who did not live in the affordable home would be able to benefit from this. Ms. Dolmatch mentioned that this policy will allow for specific circumstances, but that the City has had a practice of being flexible as to when to exercise its right to purchase units and that approach would remain an option if needed to help a family on a case-by-case basis. For example, Mr. Cotter and Ms. Dolmatch described a case where the City chose to not use its right to purchase a home after the parent with a young child passed and a close relative was able to purchase to avoid displacing the family.

Ms. Schlesinger commented that this policy can be changed within a few years after the implementation of it. Ms. Cardosi suggested that homeowners need to be educated on the changes of the policy. Ms. Schlesinger asked how many transfers of sales there are each year. Ms. Dolmatch said it is typically between 12-15 units, but right now, there hasn't been much movement in the housing market.

Ms. Darwin asked what the next legal steps are after the Trust votes on this. Mr. Cotter answered that the Trust is approving the proposed policy, and that staff will work on the details, similar to how the Trust votes to approve funding for a project, in which staff then prepare the legal documents. Mr. Cotter mentioned that the draft language was prepared for review by the Trust and intended to simply communicate the parameters of policy changes which would then be put into legal agreements prepared with the Law Department and used to implement the changes for owners.

Ms. Schlesinger commented that she would like to receive updates on these new policies. Mr. Cotter agreed that continued communication will be beneficial as staff move ahead with next steps and then offer this option to owners. Trustees and staff discussed what voting for this policy entails and the definitions of certain terms as written in the policy. Ms. Schlesinger mentioned that it may take 10-15 years before staff can see the impact of these policies. Chair Huang asked if the policy is prospectively or retrospectively, to which Mr. Cotter said it is both; noting that the intent is to offer it as an option for current homeowners to decide if they want to sign a revised affordability restriction, and to also follow these policy changes for newly sold units. Once next steps are planned, staff will follow up with owners to share information on available changes and the process to opt in to them, so there still is a lot of work to be done.

Trustees and staff discussed amendments to the proposed policy language.

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Mr. Tibbs), it was:

VOTED: to modify changes to the HomeBridge program as described in the memo prepared by CDD to replace the Resale Formula provision, "No pro rata increase shall be granted or partial years of

ownership,” with “pro rata increases shall be allowed for partial years of ownership dated to the first of the month in which an owner indicates their intent to sell.”

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Mr. Tibbs), it was:

VOTED: to approve the changes to the HomeBridge program as amended.

Trustees applauded Ms. Dolmatch, Ms. Finley, and the homeownership team for the extensive work that was done to make these proposed changes. Staff and Trustees also thanked owners for their participation and patience with the process to develop these changes.

1627 Massachusetts Ave / 4 Mellen Planning Board Report & Funding Request

Mr. Cotter presented a funding request from Homeowner’s Rehab, Inc. (HRI) for up to \$2,500,000 in additional Trust funding for their 29-unit affordable housing development at 1627 Massachusetts Ave/4 Mellen Street. He mentioned that \$7,925,000 has already been approved by the Trust, and that this additional request would bring the total Trust commitment to \$10,425,000 or a little less than \$360,000 per unit. The current total development cost is estimated at \$31,908,050. Like other development projects, development costs for this project have increased significantly due to rising construction costs, soft costs, and interest rates. However, staff will work with HRI to explore ways to reduce costs and that any reductions in final development costs prior to construction closing will be reflected in a reduction in Trust contribution.

Mr. Cotter informed the Trust that this project completed the AHO process in December 2023 and the Planning Board released its final advisory design consultation report soon after, which was presented to the Trust for acceptance. He also reported that this project has recently been pre-approved to apply for state funds, so HRI will be submitting a full application for state funding in February 2024.

Ms. DeRosa mentioned that this is why people worked so hard to advance the Affordable Housing Overlay (AHO). Even though some people may have concerns about how expensive this project is, this project will be located in a great part of the City and will be affordable for families. Ms. Schlesinger asked if the Planning Board’s comments changed any costs to the project. Ms. Arnaud answered that the changes proposed by staff and the Planning Board largely did not add to costs. Trustee Schlesinger expressed support for this project. Chair Huang also said that he was excited about this and commended the work that HRI has done to build a relationship with the City and Lesley University and that the relationship between the City and Lesley University is proving to be a very impactful and beneficial partnership for the community.

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Mr. Tibbs), it was:

VOTED: to accept the Planning Board AHO Design Review Report - 1627 Mass / 4 Mellen.

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Mr. Tibbs), it was:

VOTED: to approve the Trust funding request of up to \$2,500,000 from HRI for 1627 Mass / 4 Mellen and to convert the \$7,925,000 already committed in short-term funding for acquisition and predevelopment to a single permanent loan of \$10,425,000 at construction closing, all as further described in the meeting materials.

ADJOURNMENT

Upon a motion moved and seconded, by roll call of eight in favor and one absent (Mr. Tibbs) to adjourn the meeting.

The meeting adjourned at 5:14 p.m.

The next meeting is scheduled for February 22, 2024 at 4:00 p.m.

Meeting Materials:

- Agenda
- Minutes from the Trust's January 11, 2024 meeting
- Project Update
- 4 Mellen 1627 Mass - PB AHO Design Review Report Memo 1.25.2024
- 1627 Mass Ave Planning Board Report 12.20.2023
- 4 Mellen - 1627 Mass Funding Request Memo 1.25.2024
- Homeownership Program Changes Recommendation and Vote Memo 1.25.24