



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

February 23, 2023, 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
- Funding for HomeBridge: CDD staff are requesting a commitment of \$6,000,000 for the HomeBridge program for homebuyers earning up to 100% of area median income (AMI)
- 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

January 26, 2023 at 4:00 p.m.

Conducted virtually via Zoom

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

Trustees Absent: Jim Stockard

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

Others Present via Zoom: Michael Brandon, Lee Farris, Beau Fujita, Irena Matulic, Marlees Owayda, Emmet Vorspan-Stein, Jay Wilson,

Chris Cotter called the meeting to order at 4:04 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust is being held virtually pursuant to the temporary emergency orders currently in place, and that all meeting materials are listed online. All votes will be taken by roll call. There will 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 (Stockard) it was voted to approve the minutes for the meeting of Tuesday, December 20, 2022.

PROJECT UPDATES:

HomeBridge: 7 buyers are now approved.

52 New Street: Just A Start is preparing for a construction closing in late Spring.

JP Federal: Cambridge Housing Authority is assembling final funding needed in order to begin construction in preparation for a late Spring construction closing.

1627 Mass Ave: Homeowners Rehab, Inc. (HRI) acquired this site in August 2021 and will be developing under the AHO. A First AHO community was held in August 2022.

116 Norfolk Street: This project closed in December 2022 and under construction. Staff noted that this is the first AHO project to close.

Inclusionary Housing Updates: The last two inclusionary units at St. James and Inman Crossing) were have been sold to buyers.

A Trust Member asked how many homeownership units were filled and what were the size of those units. Mr. Cotter responded that nine homeownership units were filled, and that it was a mix of varied family sizes.

165 Main Street: Tenant selection is happening.

OTHER UPDATES

Homeownership Program Policy Changes: Staff met with the City Council Housing Committee earlier this month with updates on the program after significant outreach to homeowner and applicant last year. Staff will now develop ideas for changes based on comment for further discussion with the Trust and review with the community.

A Trust member asked what the feedback was from the Council. Mr. Cotter responded that Councilors were pleased with the updates and that they wanted this process to move quickly. They understood the complexity of potential trade-offs, which will be discussed in future Trust meetings.

Proposed Changes to the Affordable Housing Overlay (AHO) ordinance: Staff informed the Trust that the Housing Committee meeting to discuss proposed amendments to the AHO had not yet been set. A Trustee asked if the proposed changes had a timeline to adhere to, to which Mr. Cotter responded that there was no clear timeline yet as no petition has been filed.

35 Cherry Street:

Mr. Cotter informed the Trust that staff plan to bring a draft Cherry Street Request for Proposal (RFP) to an upcoming Trust meeting.

UPDATE ON HOMEOWNERSHIP PROGRAM

Ms. Dolmatch provided the highlights of the Homeownership Program memo presented to the Trust. There is steady but slow growth in the program, primarily through HomeBridge and less through new inclusionary housing. HomeBridge continues to be a popular and successful program as it allows eligible applicants to purchase homes on the open market. While there are several all-affordable developments in the production pipeline, there continue to be fewer funding sources compared to rental development. Trustees and staff discussed the constraints of funding, maintenance challenges, and rising interest rates. Staff members are also thinking about options to increase HomeBridge production and will discuss ideas with the Trust at a future meeting. Trustees and staff discussed in detail the challenge of maintaining the homeownership stock over time. Ms. Dolmatch responded that CDD has had a lot of conversations about this over the last few years. While there are programs that help fund housing improvements, additional supports are being considered. There must be a balance between oversight and preservation. Ms. Dolmatch suggested that this may be an opportunity for CDD to create a space for homeowners to gather and discuss their issues rather than impose more policies and restrictions on them.

Trustees and staff discussed how to maximize the efficiency of Trust funding across programs given the rising costs in development. Ms. Dolmatch said that this issue was brought up during the Housing Committee meeting. There is a constraint on supply, even without a price limit. City Manager Huang mentioned that this is the right conversation to be having right now, and that further discussion on trade-offs, such as equity sharing and unit creation, need to continue.

ADJOURNMENT

The next meeting is scheduled for February 23rd, 2023 at 4 p.m.

Upon a motion moved, seconded, and approved by a roll call of seven in favor and two absent (Huang and Stockard) to adjourn the meeting.

The meeting adjourned at 5:10 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's December 20, 2022 meeting
- Project Update: Status of Active Commitments
- Memo: Homeownership Program Update

Cambridge Affordable Housing Trust

February 23, 2023

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:	5	82 scattered site units purchased by first time buyers to-date. Program expansion up to 120% AMI now active. 1 unit under agreement.	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:	15	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 preparing for a Spring 2023 construction closing.	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. Transition to OBV program has been completed.	\$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 is 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 Spring 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	\$3,339,437	\$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 completed AHO advisory design review in late 2022 and closed on funding in December 2022; construction is underway	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. POAH is assembling remaining financing with a goal of beginning construction in 2023.	TBD	\$7,750,000	\$168,478	October 2022

Total Units 1034

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. Project closed on funding for construction star 12/2022.	6		Design Consultation Complete; report to be issued
6.	1627 Mass. Ave.	Homeowner's Rehab Inc	First AHO community meeting held 9/15/22. Second community to be scheduled.	TBD		Community meetings underway.

Status of Active Inclusionary Housing Developments

	Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	50 Cambridgepark Drive	Hanover	Covenant recorded 8/6/19. Building Permit issued 12-5-19. Construction complete. Tenant selection underway.	55		Revised ordinance at 20% sf requirement
2.	95-99 Elmwood	95-99 Realty	Covenant recorded. Building Permit issued 7-2-20. Under construction.		4	Ordinance prior to revision
3.	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
4.	212 Hampshire Street	212 Hampshire LLC, Binoj Pradhan	Covenant recorded. Construction complete. Tenant selection underway	1		BZA requirement of affordable unit
5.	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
6.	40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded. Building Permit issued. Under construction	48		All units are affordable
7.	605 Concord Ave.	Abodez Acorn	Covenant recorded; Building Permit issued 12/9/21. Under Construction.	7		Revised ordinance at 15% sf requirement
8.	3-5 Linnaean	Willow Land Corp.	Covenant recorded; Building Permit issued.	1		Zoning for basement housing overlay
9.	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:	265	7
Completed Units:	1014	211
All Units:	1279	218
	<hr/>	
	1497	

	Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	121 Broadway	Boston Properties	IHP Plan under review.	102: 81 (inclusionary), 21 (middle income)		MXD zoning - 20% Inclusionary + 5% Middle-Income



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*

MEMORANDUM

To: Affordable Housing Trust
From: Chris Cotter, Housing Director
Anna Dolmatch, Homeownership Program Manager
Date: February 23, 2023
RE: Recapitalization of HomeBridge Program CPA Funds

The HomeBridge program provides financial assistance for eligible applicants to purchase homes on the open market. In exchange for this assistance, buyers enter into an Affordable Housing Covenant and purchased homes become part of the permanently affordable stock.

As we have discussed in previous meetings, the HomeBridge program continues to have high demand. In the past two years, HomeBridge has funded the creation of 18 new affordable units. At this time, the CPA funds for households at or below 100% AMI are fully committed to homebuyers now looking for homes. There are currently five active commitments, and we are requesting an additional \$6MM in funds.

Since 2006, HomeBridge has received \$15.2MM in CPA funds. In 2020, the Trust allocated an additional \$3MM from budget funds to expand HomeBridge to serve households between 100% and 120% AMI. While we continue to see demand for the higher-income funds, most buyers are under 100% AMI. Sufficient funding remains in the higher-income fund for an additional five to six buyers and we are not currently requesting additional funds for this program but would like to continue to offer HomeBridge to this income tier.

We estimate that the requested recapitalization of \$6MM will serve approximately 18 additional buyers at the current median award level. Once HomeBridge funds are used to purchase a unit, they are a permanent subsidy and are not repaid through subsequent resales, so the funds do not revolve.

The amount of HomeBridge funding each buyer receives varies based on a range of factors including the unit price; buyer income; mortgage interest rate; and downpayment. Since the program was rebranded in 2017, the median award for buyers under 100% AMI has been \$323,000. If there are changes to the maximum HomeBridge purchase price or an increase in the percentage of the price paid by the program, fewer buyers may be served, and we may request additional funding sooner.

We should note that many applicants who receive a HomeBridge commitments do not end up purchasing homes. Some cannot find a unit that meets their needs; others decide to purchase in a different community without a restriction, while others end up purchasing a lower-cost home through the Resale Pool or a lottery. Given this history, we do not expect all currently approved buyers to purchase homes. Once a HomeBridge commitment expires without a purchase, the commitment is either renewed or the funds become available for another applicant.

Based on the most recent years, we project that a recapitalization of \$6MM would last between two and three years. There may be fewer purchases if rates continue to rise, or if the supply of available homes remains constrained. It is also possible that we will see increased HomeBridge activity if median incomes rise, interest rates moderate, prices decrease, or supply increases. We can provide the Trust with annual updates on the status of the program to incorporate anticipated funding into the Trust's strategic planning.

Recommendation: Staff recommends that the Trust approve the request for an additional \$6,000,000 in CPA funds for the HomeBridge program for households earning up to 100% AMI.