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# CITY OF CAMBRIDGE

Community Development Department

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## MEMORANDUM

**To: Cambridge Affordable Housing Trust**  
**From: Project Review Committee**  
**Date: January 31, 2018**  
**Re: Squirrelwood Apartments – Permanent Funding Request**

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Just A Start (JAS) is requesting up to \$4,600,000 in permanent financing from the Trust to create 23 units of affordable housing on the Linwood Court property. This infill project would be accomplished as a component of an overall plan to rehab, preserve and consolidate its 45-unit Linwood Court development with its 20-unit Squirrel Brand Apartments development.

Located between Broadway, Columbia and Market streets in the Port neighborhood, Linwood Court consists of eight detached buildings that were substantially renovated and converted to affordable housing in 1973. Squirrel Brand Apartments, located across the street from Linwood in the former home of the Squirrel Nut manufacturer, was purchased by JAS in 1999 and includes 18 units in the converted factory and two units on Boardman Street.

Just A Start's plan involves creating a new consolidated entity, Squirrelwood Apartments, which would include both the new construction at Linwood as well as the renovation of the existing housing at both sites. Consolidation of Linwood and Squirrel will enable them to bring in new resources to address existing capital needs, as well as finance the new construction.

The proposed 23-unit new development will include 2 new buildings and an addition to an existing building, designed to fit into the existing fabric of the Linwood community. The plan also calls for enhanced landscaping to make the green spaces more usable and inviting. Just A Start has held several well-attended community meetings where the project was generally well-received by both residents and neighbors. All new construction will be energy efficient and sustainable. The new buildings will include a mix of bedroom sizes and be affordable to a range of incomes, as described in more detail below.

The scope of work for improvements to the existing 65 units on the Linwood and Squirrel Brand sites will include new roofs on all buildings, new siding and insulation on the wood frame buildings, repointing at Squirrel Brand, energy efficiency upgrades to all building including new boilers, compartmentalization, LED lighting and some foundation and internal stairs structural work.

Consolidation will also allow parking to be shared among Squirrel Brand and Linwood residents. This will be helpful as there is currently a waitlist for parking at Linwood, and unused spaces at Squirrel. An additional 4 parking spaces will be added with the new construction, bringing the total parking ratio at the combined sites to a 0.51 spaces per unit. In addition, total of 68 long term and 22 short term bicycle parking spaces will also be added to the two sites.

The new units will serve a range of incomes, including 13 for low and moderate income residents, and ten which will be available to households up to 100% AMI through funding from MassHousing’s Workforce program.

As the table below indicates, the majority of the existing units (92%) are 2, 3 and 4+ bedrooms. Over-housing has been an issue at Linwood, as there has been nowhere for families to move when their household sizes decrease. At present, there are 14 units of over-housed tenants between these two sites. With the consolidation, and the addition of the new 1 and 2-bedroom units, there will be flexibility to move tenants around the development to allow for “right-sizing” and freeing up large units for families that need them. The following table identifies the existing and proposed bedroom mix:

<b>Property</b>	<b>Units</b>	<b>Studios</b>	<b>1BRs</b>	<b>2BRs</b>	<b>3BRs</b>	<b>4/5BRs</b>
Linwood	45	2	0	11	28	4
Squirrel	20	1	2	13	4	0
<b>Subtotal:</b>	<b>65</b>	<b>3</b>	<b>2</b>	<b>24</b>	<b>32</b>	<b>4</b>
New Buildings	23	0	12	8	3	0
<b>Total:</b>	<b>88</b>	<b>3</b>	<b>14</b>	<b>32</b>	<b>35</b>	<b>4</b>

Plans also include the addition of an elevator in one of the new buildings and 3 new accessible units allowing for a more accommodating environment for tenants with mobility impairments.

Just A Start has applied for a comprehensive permit and is scheduled to present their request to the BZA in February. They shared their plans with the Planning Board last week. While the Planning Board had a number of design-focused comments, the Board voted unanimously to send a recommendation in strong support of the project to the BZA, with the recommendation that Just A Start work to further refine designs based on feedback provided at the meeting. Staff are now reviewing design comments with JAS in preparation for the BZA hearing.

Just A Start plans to continue discussions with the residents and community on how the open space will be reconfigured and improved. It is anticipated that they will have at least a year to complete this process as the current schedule anticipates closing on the construction financing in summer 2019, with occupancy of new units in mid-late 2020.

The estimated total development cost for the renovations, preservation and new construction is approximately \$43 million, or \$489,000/unit for the full 88-unit project. Of this, Just A Start has estimated that the cost for the new construction component will be roughly \$14 million, or \$488,000 per unit for the 23 new units and the renovation of 6 of the units in the building receiving the new addition.

It should be noted that these numbers are based on preliminary designs and cost estimates and may change. Staff will work with Just A Start to isolate, to the extent possible, the cost for the new construction separate from the renovations.

Recommendation:

Given the need for new affordable housing and the lack of suitable sites, we value and support Just A Start's efforts to not only maintain existing affordable units but to create new affordable opportunities at their existing sites. The proposed consolidation will enable JAS to complete needed upgrades to the existing 65 units of affordable housing, as well as build the much needed additional 23 units for 23 households that cannot afford market rate rentals in Cambridge.

However, given that the budget is still preliminary, and that design is still in process, the PRC recommend that this request be approved on a conditional basis, with a plan to bring the project back to the Trust for final review and approval. At that time, there will also be a proposal for how existing City and Trust loans for Linwood and Squirrel will be treated and transferred to the new Squirrelwood entity.

The PRC recommends that the Trust approve the request from Just A Start for up to \$4,600,000 in Trust funding for review and conditional approval, as described above and subject to the following conditions:

- Obtaining necessary zoning and permitting to complete project;
- Trust and CDD staff approval of the final development and operating budgets;
- CDD staff approval of construction plans and specifications, including new construction and renovation work;
- Firm written commitments from all project funding sources;
- CDD staff approval of the tenant selection and marketing plan;
- Standard Trust terms and conditions