



CITY OF CAMBRIDGE

Community Development Department

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Affordable Housing Trust

November 19, 2020, 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.

https://cambridgema.zoom.us/webinar/register/WN_EEyP6qP1QJapCq4MQj5Q_w

AGENDA

- Review of Meeting Minutes
- Update from the Community Development Department
- Amended and Restated Declaration of Trust: staff have developed for review and discussion proposed changes to the Trust's Declaration of Trust; changes will allow for increasing the income eligibility limit for Trust funds to 120% of area median income;
- HomeBridge Program expansion: CDD is requesting that the Trust increase the income eligibility limit for HomeBridge Program to 120% of area median income; and that the Trust commit \$3 million in funds allocated through the City budget to fund the program;
- 2072 Massachusetts Avenue: update on this project where the developers are now applying for a zoning approvals via comprehensive permit;
- Adjournment

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
October 22, 2020 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Louis DePasquale, Chair; Bill Tibbs, Peter Daly, Florrie Darwin, Elaine DeRosa, Gwen Noyes, Susan Schlesinger, Jim Stockard

Trustees Absent: Elaine Thorne

Staff Present via Zoom: Iram Farooq, Asst. City Manager for CDD; Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Janet Haines, Associate Housing Planner; Maura Pensak, Housing Liaison to the City Manager; Linda Prosnitz, Housing Planner; Emily Salomon, Associate Housing Planner

Others Present via Zoom: Bo Fuji, Duane Halper

The acting chair, Jim Stockard, called the meeting to order at 4:05 p.m. prior to the Chair joining the meeting. Chis Cotter explained that this meeting of the Affordable Housing Trust would be held virtually pursuant to the temporary emergency orders currently in place, and that all votes would be taken by roll call, and that there would be no public comment. Mr. Cotter then coordinated to confirm that each participant was audible to each of the other Trust members.

The Chair, City Manager DePasquale joined the meeting at 4:08 p.m.

MEETING MINUTES

Upon a motion moved and seconded, it was voted unanimously by roll call to approve the minutes for the meeting of Thursday, September 24, 2020.

UPDATE FROM CDD

Affordable Housing Overlay (AHO): The Affordable Housing Overlay was ordained by the City Council on October 5, 2020. The Overlay is effective immediately and is now available for new development projects. Staff have begun to hear from affordable housing providers about new opportunities for affordable housing development.

Trust members and staff reflected on the efforts to pass the AHO, which began with discussions several years ago. The process included hearing from many community voices not typically heard from in other planning efforts, and it is expected that the zoning overlay and associated design guidelines could be a model for other communities. The Trust celebrated this accomplishment and encouraged staff to consider what's next as far as new affordable housing policies, including other ideas outlined in the Envision Cambridge community planning process.

HomeBridge: There are six approved buyers seeking units with three homes under agreement. Inventory is limited, but approved buyers continue to look for units to purchase. To date, 68 units have

been purchased by first-time homebuyers through HomeBridge and the city's prior financial assistance programs.

Homeownership Resale Pool: In response to COVID-19, city staff are adapting the typical process to show new units to prospective buyers in the Resale waiting pool, such as virtual open houses.

Finch Cambridge: Construction is complete and the property is fully leased up and occupied. Due to the pandemic, HRI has been unable to showcase the property to the public but is working with the City to provide a video tour/virtual walk-through of the building.

Frost Terrace: Construction is underway and proceeding after pandemic-related delays. Construction is anticipated to be complete by late-Winter/early-Spring 2021. The construction delays incurred significant cost increases, which are being monitored by City staff.

Vail Court: Litigation continues with no news to report as the case continues.

2072 Mass Ave.: Capstone/Hope held their first public meeting for the project in September 2020. They have published a website, which includes many of the questions and comments that emerged at the community meeting. Their goal is to secure permitting and financing to allow construction to begin in 2022.

SquirrelWood: Construction was delayed due to the pandemic but is on schedule to be completed in early 2021. Some units are already online, and others will be phased-in over the next few months. The construction delays incurred significant cost increases, which are being monitored by staff.

Fresh Pond Apartments: HUD has approved the terms of the new affordability program terms for the remaining third of the units which will take effect when the current use agreement expires. HUD has also approved the owner's request for Enhanced Vouchers which will facilitate the transition to the new affordable program. The Cambridge Housing Authority will be administering the Enhanced Vouchers. Staff are working with the owner on scheduling a tenant meeting to share these updates and discuss next steps. The first meeting is tentatively scheduled for early November.

Trust members complimented City staff on their hard work over several years to preserve these units. The Trust also noted the City's success with regard to all of the prior expiring-use projects over the past 10 years, leading up to the success of Fresh Pond Apartments.

Rindge Commons: The Board of Zoning Appeals voted to approve a comprehensive permit for the project on August 23, 2020. Just A Start is in the process of securing the necessary financing to begin construction of Phase 1 and will be applying for state funding in the upcoming application round.

52 New Street: Just A Start is starting to plan for the development of their New Street site, including the community and permitting processes, with a goal to secure permitting and financing to begin construction in 2022. This could be the first Affordable Housing Overlay project as they explore their development options for the site.

ParkView Cooperative: City staff met with Cooperative residents in early October to discuss their concerns about the City's proposed terms and conditions and to identify areas that are workable for the

residents. The Cooperative is revising their operating budget for the Trust and reviewing resident selection language and affordability restrictions in place for other Trust-funded projects. The building heating system, a concern noted in the September discussion, will be repaired prior to the winter months, and will allow for more time more time to finalize the Trust's funding terms and conditions and ensure a mutually agreeable solution is in place.

55 Wheeler Street: The project is back at the Planning Board. The Inclusionary Housing plan has been reviewed and will be complete once the Planning Board completes its review.

Sullivan Court House Redevelopment: The Inclusionary Housing Plan is under review. Developers will apply for a building permit by early November 2020. There will be 48 affordable units at this site of the old courthouse on Thorndike Street.

Housing Stabilization Program (HSP): The City continues to offer emergency housing assistance to residents through the Housing Stabilization Program which provides funds to income-eligible residents to help with partial rental payments. HSP assists households paying more than 40% of their income on rent and is supported with Community Preservation Act (CPA) and HUD CDBG funds. The program recently increased assistance offered from 2 to up-to 4 months. City staff are monitoring the ongoing need for program.

Resident Experience Study: After two-rounds of issuing RFPs, the City has selected the National initiative on Mixed Income Communities at Case Western Reserve University to conduct the City's resident experience study to understand issues of bias in inclusionary properties. The study should launch in the coming months.

Upcoming Housing and Ordinance Committee Meetings: A discussion of inclusionary preferences will be discussed at the upcoming Housing Committee meeting, later tonight. The Housing Committee will meet again next week to discuss legal strategies to prevent evictions and housing risks for residents due to pandemic. The next Ordinance Committee will also meet next week to discuss a proposed home rule petition to establish transfer fee for real estate transactions, which would generate funds to Trust.

NEW BUSINESS

Design Guidelines for Affordable Housing Overlay: The design guidelines are now in place and will be referenced as affordable housing developers bring project forward to the planning board.

Trust members noted that the Guidelines work on paper, but that issues could arise as they are applied to individual projects. With as-of-right development, there can be contradictions site by site, and the guidelines layout the process by which we would want a developer to look at a new building. Trust members suggested the idea of establishing a subcommittee to review and endorse the guidelines, and to think through the Trust's role in reviewing projects utilizing the Overlay to ensure they proceed smoothly.

Staff will be preparing updates to the Trust rules and regulations and it may be a place to include reference to how the Trust might use these guidelines consider funding requests for AHO and other new projects.

ADJOURNMENT

Meeting adjourned at 5:20 pm upon a motion moved and seconded, with absent, by roll call of **eight** in favor and **one** absent. The next meeting is scheduled for November 19, 2020.

Materials:

- Meeting Minutes from the Trust's September 24, 2020 meeting
- Project update: Status of Active Commitments
- October 22, 2020 Memo: Design Guidelines for Affordable Housing Overlay
- Design Guidelines for Affordable Housing Overlay

DRAFT

Cambridge Affordable Housing Trust

Status of Active Commitments

November 19, 2020

| | Active Projects | Sponsor | Rental Units | Ownership Units | Status | Total Cost | Trust Commitment | Loan Amount Per Unit | Trust Approval Date |
|-----|--|----------------------|-------------------------------------|------------------------|--|------------------------------|-------------------------|--|--------------------------------|
| 1. | HomeBridge program | CDD | <i>currently approved buyers: 9</i> | 16 | 70 scattered site units purchased by first time buyers to-date. 9 approved buyers, 1 unit under agreement. | N/A | \$15,200,000 | 1-br: 40% sale 2-br: 45% sale 3-br: 50% sale | May 2011 |
| 2. | Homeownership Resale Program | CDD | <i>currently active units:</i> | 18 | Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers. | N/A | \$5,500,000 | | December 2011 |
| 3. | 671-675 Concord Ave | HRI | 98 | | Construction complete. Residents began to move into new units in July. | \$58,228,753 | \$23,803,176 | \$242,890 | March 2016 |
| 4. | Frost Terrace 1971 Mass Ave | Capstone Hope | 40 | | Construction underway, after temporary shutdown due to covid-19. | \$27,219,486 | \$10,785,358 | \$269,634 | March 2016 and December 2018 |
| 5. | 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 |
| 6. | Squirrelwood (multiple addresses, corner of Broadway and Market) | JAS | 23 | | Construction underway, after temporary shutdown due to covid-19. | \$9,505,726 (new units only) | \$4,115,457 | \$178,933 | January 2018 and December 2018 |
| 7. | 2072 Mass Ave | Capstone Hope | TBD | TBD | Capstone/Hope purchased site in April 2018. First community meeting held on Tuesday 9/28/20; second meeting scheduled for 11/24/20. Project will be seeking a comprehensive permit and will be applying for state funding in the upcoming application round with the goal of securing permitting and financing in order to begin construction in ~2022. | TBD | \$3,800,000 | TBD | February 2018 |
| 8. | 52 New St | JAS | TBD | TBD | JAS purchased the site in early 2020 and will begin a community process later this year with a goal of securing permitting and financing in time to begin construction in ~2022. JAS anticipates permitting the project through the recently adopted Affordable Housing Overlay and will be seeking state funding in the upcoming application round. | TBD | \$9,800,000 | TBD | October 2019 |
| 9. | Park View Coop | Park View Coop | | 12 | Reviewing new request from coop for additional funds needed to fully fund rehab given increased costs | TBD | \$1,394,000 | \$116,167 | March 2019 |
| 10. | Fresh Pond Apartments | Schochet | 504 | | In March 2020, the Trust committed funding for the preservation of Fresh Pond Apartments. This commitment will be combined with \$15 million in City funding which was appropriated by the Council to the Trust for Fresh Pond Apartments. Together, these funds will be used to buy down 50 years of affordability and to capitalize a rent phase-in reserve to transition current tenants to the new affordable program. Tenant update/informational meetings held on 11/4/2020 and 11/13/2020 | TBD | TBD | TBD | March 2020 |

| | | | | | | | | | |
|-----|--------------------------|-----|----|--|---|-----|-------------|-----------|-----------|
| 11. | Rindge Commons - Phase 1 | JAS | 24 | | In June 2020, the Trust approved funding for the first phase of Rindge Commons. Following PB hearing in early August, BZA voted to approve a comprehensive permit for the project on August 23, 2020. JAS is in the process of securing the necessary financing to begin construction of Phase 1; will be applying for state funding in the upcoming application round. | TBD | \$4,250,000 | \$177,083 | June 2020 |
|-----|--------------------------|-----|----|--|---|-----|-------------|-----------|-----------|

Total Units 735

Cambridge Affordable Housing Trust
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. New developer. Completion expected late 2020. | | 4 | Ordinance prior to revision |
| 2. | Mass & Main (multiple addresses, Mass Ave. & Columbia St.) | Twining | Covenant Recorded 11/24/17. Construction complete. Tenant Selection underway. | 58 | | Zoning provisions for Mass & Main |
| 3. | 249 Third Street | Equity | Covenant Recorded 12/22/17. Complete. Tenant selection underway. | 12 | | Ordinance prior to revision |
| 4. | Tempo (203 & 205 Concord Tpk. (formerly Lane & Games) | Criterion | Covenant Recorded 3/16/18. One building complete and tenant selection underway. Construction complete on second building Oct. 2020. | 44 | | Revised ordinance at 15% sf requirement |
| 5. | St. James (1991 & 2013 Mass. Ave.) | Oak Tree | Converting to ownership. Completion expected late 2020. | 5 | | Ordinance prior to revision |
| 6. | 77 New Street | Abodez | Covenant Recorded 9/14/16. Under Construction. | 11 | | Ordinance prior to revision |
| 7. | 95 Fawcett Street | Ed Doherty | Covenant Recorded 12/29/2016. Under Construction | | 5 | Ordinance prior to revision |
| 8. | Alexandria - 50 Rogers Street | Alexandria | Covenant Recorded 6/4/19. Expecting completion late fall 2020 | 44 | | Zoning for Alexandria PUD |
| 9. | Charles & Hurley Streets | Urban Spaces | Covenant recorded 8/6/19. Building Permit issued 9-3-19(Charles Street) and 12-23-19 (Hurley Street) Under Construction. | 16 | | Ordinance prior to revision |
| 10. | 50 Cambridgepark Drive | Hanover | Covenant recorded 8/6/19. Building Permit issued 12-5-19. Under Construction | 55 | | Revised ordinance at 20% sf requirement |
| 11. | 165 Main Street | Mitimco | IHP Covenant recorded 12/17/19. Building Permit issued 12-20-19. Under Construction | 63 | | Zoning for MIT |
| 12. | 95-99 Elmwood | 95-99 Realty | Covenant recorded. Building Permit issued 7-2-20 | | 4 | Ordinance prior to revision |
| 13. | Cambridge Crossing, Building I | DivcoWest | Covenant recorded; Building Permit issued 8-24-20 Under construction. | 54 | | Ordinance prior to revision |

Under Development:

362 13

Completed Units:

761 202

All Units:

1123 215

1338

| | Active Pipeline Projects | Developer | Status | Rental Units | Ownership Units | Applicable zoning |
|----|------------------------------|----------------------------------|--|--------------|-----------------|---|
| 1. | 605 Concord Ave. | Abodez Acorn | Covenant recorded; pending building permit | 7 | | Revised ordinance at 15% sf requirement |
| 2. | 212 Hampshire Street (Ryles) | 212 Hampshire LLC, Binoj Pradhan | Covenant in signature process. | 1 | | BZA requirement of affordable unit |
| 3. | 3-5 Linnean | Willow Land Corp. | Covenant signed; pending building permit | 1 | | Zoning for basement overlay |
| 4. | 55 Wheeler Street | Toll Brothers | IHP plan under review | 99 | | Revised ordinance at 20% sf requirement |
| 5. | 1043-1059 Cambridge St. | 418 Real Estate | IHP plan under review | | 3 | Revised ordinance at 20% sf requirement |

| | | | | | | |
|----|-------------------------------|---------------|---|----|--|--------------------------|
| 6. | 270 Thorndike St. Court House | Leggat/McCall | Housing plan under review. Applying for Building permit by early November 2020. | 48 | | All units are affordable |
|----|-------------------------------|---------------|---|----|--|--------------------------|



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To: Cambridge Affordable Housing Trust
From: Christopher Cotter, Housing Director
Date: November 19, 2020
Re: Amending and Restating Declaration of Trust

We are presenting the attached draft Amended and Restated Declaration of Trust for review and discussion by the Trust. The current Amended and Restated Declaration of Trust was last amended in November 2000, and the attached draft shows proposed changes CDD has developed in consultation with the Law Department redlined changes from that document.

You will recall that we discussed amending the declaration at a meeting earlier this year, with the principle goal to increase the income eligibility limit for households assisted by the Trust to 120% of area median income. We discussed this in response to a request from the City Council to expand HomeBridge program eligibility to households earning between 100% and 120% AMI. While making these changes, we also included needed updates to language and references, and where appropriate aligned language in the declaration with Section 11.206 of the Zoning Ordinance which also describes the activities of the Trust.

We look forward to the Trust discussion of these proposed changes.

We are also working to prepare proposed changes to the Trust's Rules and Regulations, which describe how the Trust reviews requests for funding and conducts its business. We plan to bring these to the Trust for review and discussion at an upcoming meeting.

DRAFT FOR REVIEW AND DISCUSSION

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CAMBRIDGE AFFORDABLE HOUSING TRUST
AMENDED AND RESTATED DECLARATION OF TRUST

~~November 16, 2000~~ NOVEMBER 19, 2020

CAMBRIDGE AFFORDABLE HOUSING TRUST

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CAMBRIDGE AFFORDABLE HOUSING TRUST

WHEREAS, there is a severe shortage of housing for low -and moderate-income residents of Cambridge; and

WHEREAS, the City of Cambridge is committed to creating new affordable home ownership and rental units as well as to the preservation of existing affordable units; and

WHEREAS, the Cambridge City Council on June 29, 1986, accepted certain recommendations contained in the “Report of the City Council Committee on Linkage”; and

WHEREAS, a comprehensive Incentive Zoning Ordinance has been drafted, and enacted as of July 25, 1988; and amended and expanded by, including but not limited to, Ordinance #1197 enacted on March 2, 1998; Ordinance #1229 on September 21, 1999; Ordinance #1371 on September 28, 2015; Ordinance #1392 on April 3, 2017; Ordinance #1421 on March 16, 2020; and Ordinance #2020-8 on October 5, 2020; and

WHEREAS, said Ordinance and Chapter 482 of the Acts of 1991 provides for the creation of an Affordable Housing Trust;

WHEREAS, on January 12, 1989 by a Declaration of Trust duly executed, Robert W. Healy, as City Manager of the City of Cambridge, declared himself to be the original Trustee of the Cambridge Affordable Housing Trust (with all additional and any successor Trustees appointed to the Board of Trustees, “the Board”) to hold all property thereafter transferred to the Board, subject to the following provisions; and

WHEREAS, the Board determined it was in the best interests of the Cambridge Affordable Housing Trust (the “Trust”) for the January 12, 1989 Declaration of Trust to be amended and restated; and on November 16, 2000 an Amended and Restated Declaration of Trust clarified certain provisions thereof; and

WHEREAS, the Board has determined that it is in the best interests of the Cambridge Affordable Housing Trust (the “Trust”) for the ~~January 12, 1989~~ November 16, 2000 Amended and Restated Declaration of Trust to be further amended and restated, so as to clarify certain provisions thereof;

NOW, THEREFORE, on this ~~16th~~ 19th day of November, ~~2000~~ 2020, the Board does hereby set forth this Amended and Restated Declaration of Trust (the “Amended and Restated Declaration”).

ARTICLE I. TITLE AND ADDRESS

The Trust shall be known as the “Cambridge Affordable Housing Trust”. The address for the Trust shall be: Office of the City Manager, City Hall, Cambridge, Massachusetts 02138.

ARTICLE II. PURPOSE

The Trust is intended to be the “Affordable Housing Trust” referred to in Section 11. ~~205~~ 206 of the Cambridge Zoning ~~Code~~ Ordinance (the “Zoning Code Ordinance”), and in Chapter 482 of the Acts of 1991, and the Trustees are hereby authorized to receive and accept Housing Contributions (whether cash, personal or real property, securities, or other items of value) tendered pursuant to Section 11. 202 and 11.203 ~~(a.3(i))~~ of the Zoning ~~Code~~ Ordinance, and other contributions from any source whatsoever.

The purpose of the Trust is to assist in (i) the creation of new affordable ~~home-ownership and rental units~~ and owner-occupied affordable housing in Cambridge, and (ii) the preservation and rehabilitation of existing affordable homes (whether single family, multi-family, condominium, or cooperative) and rental units. Affordable housing for low- and moderate-income residents is herein defined as housing which is affordable by a family having an income

of no more than ~~80~~120% of the ~~median family income~~Housing Area Median Family Income-for the Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area, adjusted for family size, the rent for which (including utilities) does not exceed thirty (30) percent of the income of the renting household or the mortgage payment for which (including insurance, utilities and real estate taxes) does not exceed thirty (30) percent of the income of the purchasing household, or such other income or payment standard as may be determined by the Board, or by the appropriate special permit granting authority of the City of Cambridge. All Trust property held hereunder, both principal and income, shall be used solely for the preservation, development, and/or rehabilitation of affordable housing within the City of Cambridge, including reasonable administrative expenses necessary to support Trust activities, including but not limited to consulting services such as legal, appraising or engineering, as well as other project related expenses. No portion of the Trust property shall enure to the benefit of any private individual except as herein provided. The Trust shall not operate for the purpose of carrying on a trade or business for profit, nor shall any Trust property be used in any way in connection with any political campaign on behalf of any candidate for public office, nor be expended in any attempt to influence legislation.

ARTICLE III. BOARD OF TRUSTEES AND STAFF

Section 3.1 Composition

The Board shall consist of nine Trustees, including ex officio, that person who is serving from time to time as the City Manager of the City of Cambridge (the "City Manager"), or in a similar capacity under any future form of city government. The other members of the Board shall be appointed by the City Manager. Such members shall include representatives from different sectors of the community concerned with housing policy, including, without limitation,

existing City boards and agencies, non-profit housing organizations, and community representatives. Each Trustee shall serve without compensation and in a purely fiduciary capacity; provided, however, that each may be reimbursed by the Trust for all out-of pocket expenses reasonably incurred in the performance of his or her duties hereunder.

Section 3.2. Term of Office

The term of office for each Trustee not serving ex officio shall be three years. Initially two such Trustees shall serve one-year terms, three such Trustees shall serve two-year terms, and three such Trustees shall serve three-year terms, and thereafter all such Trustees shall serve three-year terms.

Section 3.3 Trustee Resignation

Any Trustee may resign by giving at least thirty days' written notice. Such notice shall be sent by registered mail to: Office of the City Manager, City Hall, Cambridge, MA 02138. If any Trustee becomes mentally or physically unable to serve, a certificate so stating from such Trustee's then attending physician shall constitute such Trustee's resignation. If a person shall cease for any reason to serve as Trustee, a substitute Trustee shall be appointed by the City Manager to serve the unexpired portion of such Trustee's term.

Section 3.4. Managing Trustee

The City Manager shall serve as Managing Trustee and shall be responsible for maintaining all financial and other records of the Trust. The Managing Trustee may, from time to time, delegate any portion or all of ~~his~~their duties to any other Trustee; provided, however, that each such delegation shall be in writing, and revocable.

Section 3.5. Secretary and Staff

The Assistant City Manager for Community Development ~~Department~~ of the City of Cambridge or ~~his or her~~their designee shall serve as the Secretary of the Trust. The Managing Trustee may also appoint such other staff for the Trust as the Managing Trustee deems necessary. Such staff persons shall work under the supervision of the Managing Trustee and may be paid reasonable compensation.

ARTICLE IV. DISTRIBUTIONS AND USE OF PRINCIPAL AND INCOME

Section 4.1 Distributions and Undistributed Net Income

The Board may from time to time distribute such portion or portions of the net income and principal of the Trust as the Board deems to be appropriate and consistent with the purposes for which the Trust has been established. At the end of each fiscal year of the Trust, the Board may add all undistributed net income to the principal of the Trust or segregate such income in a separate income account for later distribution.

Section 4.2. Method of Distribution

Each distribution of principal and/or income shall require the favorable vote of at least a majority of the Board present at a Board meeting, as set forth in Section 7.3 hereof. Distributions may be made to individuals and private or public, profit or not-for-profit entities, in the form of gifts, grants, loans, loan guarantees, letters of credit or other forms of credit enhancement, or in such other manner as the Board may deem necessary and appropriate to fulfill the purposes of the Trust.

Section 4.3. Use of Distributions

All distributions from the Trust shall be made solely for the purposes set forth in Article II hereof and applied, without limitation toward:

A. Creation of New Affordable Units

The creation of new affordable rental or ownership units by (i) encouraging the development of such units through a variety of means, such as provision of favorable financing terms or direct write-down of costs for public, non-profit, or for-profit developers, and/or (ii) subsidizing the purchase of sites, existing structures, or affordable units within a larger development.

B. Assistance with Multi-Family Rehabilitation Programs

Assistance with multi-family rehabilitation programs through financing rehabilitation of distressed properties requiring substantial rehabilitation, in a manner that preserves the affordability of units through interest rate subsidies, loan guarantees or write-down of project costs (with priority consideration given to multi-family housing owned by non-profit entities which ensure maximum long-term affordability to receive priority funding consideration).

C. Acquisition and Rehabilitation of Potential Limited Equity Housing Cooperatives

Acquisition and rehabilitation of potential limited equity housing cooperatives through low interest blanket loans, share loans, or direct cost write-down.

D. Preservation of Existing Affordable Housing.

Preservation of existing affordable housing through acquisition and/or financing assistance for affordable housing units that are part of a larger development and/or financing assistance.

Section 4.4. Limitations.

The Board shall engage in no activity nor distribute any funds or other property except in a manner consistent with (i) the requirements of the Internal Revenue Code of 1986, as amended (“the Code”), or any similar provisions of subsequent Revenue Acts which pertain to entities organized and operating exclusively for charitable purposes, (ii) Chapter 68 of the Massachusetts General Laws, and (iii) the provisions hereof.

ARTICLE V. DUTIES OF THE BOARD OF TRUSTEES

The Board shall have, without limitation, the following duties and responsibilities:

A. The Board shall administer the Trust ~~property funds and property,~~ review and approve or disapprove proposals for use thereof, and authorize the distribution thereof.

B. The Board shall advise ~~and assist~~ the City Council ~~and City~~ Manager in establishing ~~a comprehensive~~ housing policy for the City, including identification of goals and objectives, and the means to reach them, and assistance with coordination of resources in existing housing programs to ~~maximize~~ progress advance efforts toward realization of the City's housing ~~objectives goals.~~

C. The Board shall ~~develop~~ provide recommendations on policies and standards ~~consistent with those provided in the Incentive Zoning and Inclusionary Zoning Ordinances for reviewing Housing Creation proposals submitted and procedures to the Board, as provided in Section 11.203.1(b), Section 11.203.2, and Section 11.204~~ City regarding the implementation of the Zoning Code, and deliver reports on such proposals provisions of Sections 11.200 to the appropriate special permit granting authority. 11.206.

D. The Board shall provide assistance and ~~necessary~~ certifications reports to ~~the City and~~ any special permit granting authority ~~required authorized~~ to issue a permit for any development making use of funds from the Trust.

E. The Board shall explore the feasibility and assist in establishing new programs designed to meet the affordable housing needs of the City of Cambridge, ~~including a City-wide Land Bank Program and a Home Mortgage Pool.~~

F. The Board shall serve as the Advisory Committee for purposes of the Massachusetts Housing Partnership ("MHP"), including reviewing and making recommendations on housing proposals submitted to the MHP from time to time.

ARTICLE VI. POWERS OF THE BOARD OF TRUSTEES

The Board shall have the following powers which may be exercised without order or license of any Court, but which shall be exercised solely in a fiduciary capacity consistent with and in furtherance of the overall purposes of the Trust as set forth in Article II:

A. To receive and accept property, whether real or personal, by gift, grant, devise, or transfer from any person, firm, trust, corporation or other public

or private entity, including without limitation, grants of funds or other property tendered in connection with any Housing Contribution pursuant to the Zoning Code, to be held, administered and disposed of in accordance with the provisions hereof;

B. To purchase and retain real or personal property, including without restriction, investments that yield a high rate of income or no income, intending to authorize the Board to act in such manner as the Board believes to be in the best interests of the Trust in light of the purposes for which the Trust has been established;

C. To sell, lease, exchange, transfer, or convey any personal or real property, at public auction or by private contract, for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertakings relative to the Trust property, as the Board considers advisable, notwithstanding the length of any such lease or contract; without liability upon any person dealing with the Board or any Trustee to see to the application of any money or other property delivered to the Board or to any Trustee;

D. To execute, acknowledge and deliver deeds, assignments, transfers, mortgages, pledges, leases, covenants, contracts, promissory notes, releases and all other instruments, sealed or unsealed necessary, proper or incident to any transaction in which the Board engages for the accomplishment of the purposes of the Trust;

E. To employ advisors and agents and to apportion such as accountants and appraisers, and to delegate to such persons or firms such ministerial or discretionary powers as the Board deems necessary;

F. To pay reasonable compensation (and expenses) to all advisors and agents and to apportion such compensation between income and principal of the Trust as the Board deems advisable;

G. To apportion receipts and charges between income and principal as the Board deems advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;

H. To participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney (with or without power of substitution) to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;

I. To deposit any security with any protective reorganization committee, and to delegate to such committee such power and authority with

relation thereto as the Board may deem proper; and to pay, out of the Trust property, such portion of the expenses and compensation of such committee as the Board may deem necessary and appropriate;

J. To carry property for accounting purposes at other than acquisition date values;

K. To exercise all powers and rights of subscription or otherwise which in any manner arise out of ownership of securities held as part of the Trust property;

L. To borrow money on such terms and conditions and from such sources as the Board deems advisable; to mortgage and pledge Trust assets as collateral;

M. To hold Trust property without indication of fiduciary capacity but only in the name of a registered nominee, provided the Trust property is at all times identified as such in the books of the Trust, and to hold any securities in registered or in bearer form; the Trustees shall keep all of the Trust property or funds (other than real property) in one or more separate accounts maintained for such purpose in the Office of the Cambridge City Treasurer;

N. To make distributions or divisions of principal in kind;

O. To compromise, arbitrate, defend, enforce, release, settle or otherwise adjust claims in favor of or against the Trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and, subject to the provisions of the Trust, to continue to hold the same for such period of time as the Board may deem appropriate;

P. To manage or improve real property; and to abandon any property which the Board determines not to be worth retaining;

Q. To hold all or part of the Trust property uninvested for such purposes and for such time as the Board may deem appropriate;

R. To extend the time for payment of any obligation to the Trust; and

S. To exercise all powers authorized by common law, statute or other provisions hereof.

The Board's good faith exercise of the foregoing powers shall be final and binding on all concerned. The members of the Board shall be liable only for willful misconduct or gross negligence. No Trustee shall be required to give bond.

ARTICLE VII. OPERATION OF BOARD OF TRUSTEES

Section 7.1 Meetings

The Board shall meet at least quarter-annually on dates to be determined by the Managing Trustee on an annual basis. The Board may also meet at such other times as may be designated for Special Meetings by the Managing Trustee.

Section 7.2 Quorum

A quorum shall be constituted at each meeting if at least five (5) of the members of the Board are present ~~in person~~ either in person, or in a manner compliant with the Commonwealth of Massachusetts Open Meeting Law, M.G.L. Chapter 30A, Sections 18-25 and applicable regulations.

Section 7.3 Votes and Actions Taken by Written Consent

Except as otherwise herein provided, the Board shall act by majority vote of the members of the Board present at a meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board entitled to vote consent in writing, electronically or otherwise, to the taking of such action without a meeting. Such written consents shall be treated for all purposes as a vote at a meeting, and shall become part of the permanent records of the Board.

Section 7.4 Rules and Regulations

The Board shall promptly establish and periodically review written rules and regulations for the operation of the Trust and the Board, including rules and regulations for evaluating all applications for Trust funding, and for ensuring that distributions are used exclusively for the purposes for which the Trust has been created. A copy of such rules and regulations, and all amendments thereto, shall be filed with the Cambridge City Clerk pursuant to Article XI, Section 11.3 herein.

ARTICLE VIII. ACCOUNTS

The Managing Trustee shall submit to the Board annually an account of the Trust as prepared by an independent certified public accountant, and copies thereof shall be filed with the Cambridge City Clerk as provided in Article XI, Section 11.4 herein. Such annual accountings may be part of the annual independent audit of the City of Cambridge.

ARTICLE IX. AMENDMENT

The Amended and Restated Declaration may be amended from time to time by majority vote of the Board; provided, however, that no such amendment shall violate the purposes of the Trust as set forth in Article II. Any amendment made pursuant to this Article shall be attached to each original counterpart of this instrument and shall not take effect until filed with the Cambridge City Clerk as provided in Article XI, Section 11.3 herein. This Amended and Restated Declaration shall supersede in its entirety, the Amended and Restated Declaration of Trust of the Trust dated ~~January 19, 1989~~ November 16, 2000.

ARTICLE X. DISSOLUTION

It is intended that the Trust shall continue in perpetuity. If for any reason the Managing Trustee determines that continuation of the Trust is infeasible, then the Trust may be terminated upon a two-thirds vote of the Board. If for any reason the Trust is voluntarily or involuntarily dissolved or wholly inoperative the Managing Trustee shall ensure that all property held by the Board is distributed forthwith to the City of Cambridge, to be used solely for purposes set forth in Article II hereof.

ARTICLE XI. MISCELLANEOUS

Section 11.1 Titles and Subtitles

Titles of the Articles and Section subtitles are placed herein for reference only, and in case of any conflict, the text of this instrument, other than such titles or subtitles, shall be controlling.

Section 11.2 Massachusetts Law

This Amended and Restated Declaration shall at all times be governed by the laws of the Commonwealth of Massachusetts.

Section 11.3 Public Records Filing

A copy of this Amended and Restated Declaration shall be filed with the Office of the Cambridge City Clerk, and in accordance with Section 9 of Chapter 482 of the Acts of 1991, with the Division of Public Charities of the Office of the Massachusetts Attorney General.

IN WITNESS WHEREOF, this Amended and Restated Declaration of Trust is hereby made and executed as of the ___ day of _____, ~~2000~~2020.

| Manager Robert W. Healy~~Robert W. Healy~~Louis A. DePasquale, City

COMMONWEALTH OF MASSACHUSETTS

| MIDDLESEX, SS. _____, ~~2000~~2020

| Then personally appeared the above-named ~~ROBERT W. HEALY~~Louis A. DePasquale,
City Manager as aforesaid, and acknowledged the forgoing instrument to be his free act and deed
| on this _____ day of _____ ~~2000~~2020, before me.

Notary Public
My commission expires: _____



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, Housing Planner
Date: November 19, 2020
RE: Expanding HomeBridge Eligibility to Homebuyers earning
between 100% to 120 % AMI and Additional Funding Request

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.

The City Council adopted a policy order last year requesting that the Trust expand eligibility for HomeBridge to include households earning more than 100% but less than 120% of AMI. The proposed changes to the Affordable Housing Trust's Declaration of Trust, if adopted, will allow for the Trust to offer HomeBridge assistance for households in this income tier.

In 2017 and 2018, the City appropriated more than \$1MM from community benefits funds for a limited pilot HomeBridge program for this income group. The funds were quickly expended. There was significant interest in this offering, and we have heard from many residents who are interested in this program if we can serve buyers in this income range again.

While we do not anticipate that everyone who has expressed interest will apply or be eligible, we do expect that there will be high demand in the first year. We are requesting \$3,000,000 from the Trust's City budget funds. We estimate this will provide funding for eight to ten units.

HomeBridge provides a percentage of the purchase price, based on the unit size, buyer mortgage, and required asset contribution. There are also maximum market purchase prices, which will be the same for all buyers. HomeBridge subsidy funding is capped at a set percentage of the maximum market purchase price. The guidelines will be the same for this program component.

HomeBridge buyers are required to have a housing payment of at least 25% of their monthly income. This means that higher-income applicants must qualify for larger mortgages, and therefore require less assistance to purchase within

the same price limit. This may result in buyers in this tier receiving less than the maximum subsidy, which will increase the program's leverage.

Reduced subsidy at purchase will allow buyers to purchase at a higher base affordable price. However, if these units are resold when interest rates are higher and/or median incomes are lower, additional subsidy may be needed to preserve the same level of affordability.

Recommendation: Staff recommends that the Trust approve expanding eligibility for the HomeBridge program to households earning up to 120% of area median income, and that Trust commit \$3,000,000 in City budget funds to the HomeBridge program.