

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
June 25, 2020 at 4:00 p.m.

Conducted virtually via Zoom

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

Staff Present via Zoom: Iram Farooq, Asst. City Manager for CDD; Chris Cotter, Housing Director; Cassie Arnaud, Housing Planner; Anna Dolmatch, Housing Planner; Linda Prosnitz, Housing Planner; Jessica Kahlenberg, Business Analyst; Janet Haines, Associate Housing Planner; Jeff Roberts, Zoning Director

Others Present via Zoom: Craig Nicholson, Maura Pensak

The Chair called the meeting to order at 4:00 p.m. and 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.

MEETING MINUTES

Upon a motion moved and seconded, it was voted unanimously by roll call to approve the minutes for the meeting of Thursday, March 2, 2020.

UPDATE FROM CDD

HomeBridge – There are seven approved buyers seeking units. Inventory is limited, likely due to COVID-19, but approved buyers hope to find units. To date, 68 units have been purchased by first-time homebuyers through HomeBridge and the city's prior financial assistance programs.

Homeownership Resale Pool– There are 11 units in progress. Staff are working on new ways to show units to potential buyers, such as virtual open houses, in order to keep program active despite constraints of COVID-19.

Finch Cambridge – Construction had been on hold due to the pandemic but is underway again and near completion. HRI has recertified lottery applicants in anticipation of residents moving into the new property in July.

Frost Terrace – Construction had been on hold due to the pandemic but is underway again and proceeding well.

Vail Court – Litigation continues with no news to report as the case remains deep in the discovery process and the former owner continues to challenge both the valuation and taking.

SquirrelWood – Construction had been on hold due to the pandemic but is underway again and nearing completion.

2072 Mass Ave. – Capstone/Hope are beginning to plan for the development of this site, including a community and permitting process, with a goal of securing permitting and financing in time to allow them to begin construction in 2022.

52 New Street – Just A Start is beginning to plan for the development of their New Street site with a goal of securing permitting and financing in time to begin construction in 2022.

Fresh Pond Apartments – Staff are working to complete the preservation of this expiring use property and are in active discussions with the owner and with HUD on the terms of the new affordability agreement which will take effect when the current use agreement expires.

Other Updates/General Discussion

Trust members asked staff if there were signs of softening in the real estate market, given the broader economic strain caused by the pandemic. Staff said it was likely still too early to say and that as time passes and data is compiled, the picture will become clearer. While there is some anecdotal evidence of landlords offering rent concessions, the homeownership inventory remains very limited with prices seemingly holding steady. Staff noted that the private commercial market is still active, with new projects continuing to seek permitting. However, many of these projects had site control which predates the pandemic so it is yet to be seen whether there will be an impact among developers seeking to acquire new sites in the post-COVID era.

Community Preservation Act Update

The Trust was informed that the FY21 CPA allocation process was underway. The CPA committee will hold a public hearing on July 1, 2020 and will be holding second public hearing on August 5, 2020 to hear comments on how the FY21 CPA funding should be allocated among the 3 eligible CPA uses.

Staff also noted that the CPA Committee had voted in June 2020 to allocate \$1 million in CPA funding for a temporary emergency community housing rent subsidy program to help cost-burdened tenants paying more than 40% of their income for rent. This funding is in addition to the support made available through the Mayor's fund and the new allocation of \$500,000 in CDBG/CARES Act funding. In response to questions from several Trust members, staff confirmed that tenants in all types of affordable units, including Inclusionary units, were aware of and taking advantage of the assistance.

Affordable Housing Overlay Update

Staff informed the Trust that the zoning proposal for an affordable housing overlay had been refiled in early 2020 and that both the Ordinance Committee and Planning Board have scheduled public meetings as each considers the petition and makes recommendations to the City Council. The Ordinance Committee hearing is scheduled for July 8, 2020 and the Planning Board hearing is expected to be held in early August. Trust members encouraged each other to participate in the upcoming meetings.

Rindge Commons – funding request

Prior to discussion, Mr. Stockard recused himself and left the meeting.

Staff presented a request from Just A Start for \$4,250,000 to support the first phase of Rindge Commons. The total Rindge Commons project will be undertaken in two phases and will result in the creation of 101 new units of affordable rental housing. The first phase will include the new construction of 24 affordable rental units as well as non-residential space. In response to a question from a Trust member, staff confirmed that Trust funding would only be used to fund the residential portions of the project. In terms of timing, it was noted that the Covid-19 crisis has necessitated a number of delays in JAS' original schedule but that JAS hopes to have permitting secured in the coming months and financing secured in time to allow them to begin construction on Phase 1 in 2021, with an anticipated completion in 2023.

Several Trust members asked about the bedroom size breakdown. It was explained that while units created in the first phase would be one- and two-bedrooms, the second phase would include a generous number of three-bedroom units. Trust members expressed support for the project, noting its good design, and that it made sense for non-profits to look for development opportunities within their own stock.

Upon a motion moved and seconded, with Mr. Stockard absent, by a roll call with eight in favor and one absent, it was:

VOTED: To approve Just A Start's request for up to \$4,250,000 in financing for the Rindge Commons development, as described in further detail in the Trust's June 25, 2020 briefing materials, and subject to the following conditions:

Prior to loan closing:

- CDD staff approval of final design and development plan;
- CDD staff approval of the final development and operating budgets;
- Obtain necessary zoning and permitting to complete project;
- CDD staff approval of a repayment provision(s) of Trust financing, whereby 50% of net cash flow be used to repay the loans or such other similar provision;
- CDD staff approval of construction plans and specifications;
- Firm written commitments from all project funding sources sufficient to complete all of Phase 1, including both commercial and residential space;
- CDD staff approval of the tenant selection and marketing plan, which shall include provisions to ensure maximum local preference in tenant selection expected to be limited to 70% local preference per state requirements;

Loan shall be subject to standard Trust terms and conditions including, but not limited to:

- All affordable units will be subject to the City's standard affordable housing restriction to be signed at loan closing;
- Loan will have an interest rate of 3% compounding, or such other rate approved by CDD Staff, and a term of 50 years;
- Loan will be subject to a penalty rate of 8%. The penalty rate is only applied upon violation of the affordability restriction;
- Loans shall be non-recourse;

During the construction period:

- Notify Lender’s Rehabilitation Specialist of all construction meetings and copy on meeting minutes;
- Copy Lender on all change orders;
- Copy Lender on all funding requisitions to other sources.

Annual Appropriations for FY2021 – funding request

Prior to discussion, Peter Daly recused himself and exited the meeting and Mr. Stockard remained absent.

Request for Annual Appropriations for FY2021: CDD is requesting \$659,615 to support non-profit housing providers affordable housing preservation and development programs, CDD Housing Division staff, and CDD Housing Division program support

Staff presented a request for \$659,615 in Trust funds to support non-profit housing providers affordable housing preservation and development programs, CDD Housing Division staff, and CDD Housing Division program support including homeownership management software, and legal services and administrative costs.

Upon a motion moved and seconded, with Mr. Daly and Mr. Stockard absent, by roll call of seven in favor and two absent, it was:

VOTED: to approve the following annual FY2021 contracts as outlined below and summarized in the Trust briefing materials:

Non-profit Housing Preservation & Development	\$445,115
Expiring Use Preservation Funding	\$40,000
Homeownership Software	\$13,000
CDD Staffing	\$140,000
Legal Services	\$14,000
Miscellaneous / Administrative	\$7,500
TOTAL:	\$659,615

ADJOURNMENT

Meeting adjourned at 5:00 pm upon a motion moved and seconded, with Mr. Daly and Mr. Stockard absent, by roll call of seven in favor and two absent. Next meeting is scheduled for July 23, 2020.

Materials:

- Meeting Minutes from the Trust’s March 2, 2020 meeting
- Project update: Status of Active Commitments
- Memorandum: Rindge Commons Funding Request
- Memorandum: Annual FY2021 Appropriation Funding Request

Cambridge Affordable Housing Trust

Status of Active Commitments

August 6, 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: 7</i>	15	68 scattered site units purchased by first time buyers to-date.	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>	11	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. Will begin community process later this year with goal of securing permitting and assembling 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	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 reserve to transition current tenants to the new affordable program.	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. JAS will be seeking a comprehensive permit for the project; the permitting process will begin with a presentation to the Planning Board on August 4 followed by a BZA hearing on August 23, 2020.	TBD	\$4,250,000	\$177,083	June 2020

Total Units 727

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. Expecting completion Fall 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. Second building under construction.	44		Revised ordinance at 15% sf requirement
5.	St. James (1991 & 2013 Mass. Ave.)	Oak Tree	Covenant Recorded 11/21/17. Under Construction.	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)	16		Ordinance prior to revision
10.	50 Cambridgepark Drive	Hanover	Covenant recorded 8/6/19. Building Permit issued 12-5-19.	55		Revised ordinance at 20% sf requirement
11.	165 Main Street	Mitimco	IHP Covenant recorded 12/17/19. Building Permit issued 12-20-19	63		Zoning for MIT

Under Development:

308 9

Completed Ur

751 202

All Units:

1069 211

1280

	Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	Cambridge Crossing, Building I	DivcoWest	Covenant recorded; pending building permit	54		Ordinance prior to revision
2.	605 Concord Ave.	Abodez Acorn	Covenant recorded; pending building permit	7		Revised ordinance at 15% sf requirement
3.	95-99 Elmwood	95-99 Realty	Covenant recorded. Pending building permit		4	Ordinance prior to revision
4.	212 Hampshire Street (Ryles)	212 Hampshire LLC, Binoj Pradhan	Voluntary affordable unit.	1		BZA requirement of affordable unit
5.	3-5 Linnean	Willow Land Corp.	Covenant signed; pending building permit	1		Zoning for basement overlay
6.	55 Wheeler Street	Toll Brothers	IHP plan under review	99		Revised ordinance at 20% sf requirement
7.	1043-1059 Cambridge St.	418 Real Estate	IHP plan under review		3	Revised ordinance at 20% sf requirement
8.	270 Thorndike St. Court House	Leggat/McCall	Housing plan under review	48		All units are affordable



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 Planner

MEMORANDUM

To: The Affordable Housing Trust
From: Christopher Cotter, Housing Director
Anna Dolmatch, Housing Planner
Janet Haines, Housing Planner
Date: August 6, 2020
Re: Park View Cooperative Request for Additional Funding

The Park View Cooperative is a twelve-unit limited-equity coop located at 24-26 Corporal McTernan Street in Cambridgeport. The coop was created in 1984 as part of the City program to assist tenants in purchasing their buildings during rent control. The coop was created without any public funding other than a second mortgage from CNAHS that was fully repaid.

We are attaching to this memo, material the Coop has submitted in support of its request to the Trust.

Overview

The building was built in 1908 and is considered historically significant. At the time of conversion to a limited-equity coop, very little rehab work was done. While the coop has completed some rehab projects over the years, they currently have significant rehab needs. As you may recall, the Trust approved a loan of up to \$1,394,000 in March 2019 to assist the cooperative with this project.

The Coop is requesting additional funding to more than double the amount of Trust subsidy in the project. The Project Review Committee has reviewed the request. The PRC reviewed the details of the new request and changes in project costs, specifically reviewing increases in construction costs and available opportunities to leverage other funding sources to reduce the current funding gap. However, there were few concrete recommendations there beyond those suggested by staff, and discussion then touched on the principles the Trust should consider for this type of request, including:

- preservation of existing affordable housing;
- ensuring long term-financial viability, use of public funds and participation of residents in sustainable resident-controlled housing;
- promoting broad access to Trust-funded housing and ensuring diversity in resident selection processes.

As this discussion transcended the specific review of the funding request, the PRC suggested that the request be forwarded to the Trust without a recommendation for a broader discussion of the policy approach of the Trust to this request.

Current Needs and Construction Costs

The scope of needed renovation work includes replacement of the roof, exterior stucco, and all windows with historically-appropriate materials; additional insulation throughout the building; new electrical service to the entire building and replacement of all knob-and-tube wiring; plumbing stacks; new kitchens and baths for most units; new sewer lines and required sitework; and installation of a sprinkler system. All work, other than kitchens and baths, is an immediate need; it is most efficient to do all the work in one phase. This rehab will address major capital items that were not updated when the building was converted to affordable housing.

The initial budget for this work was based on estimates and not a full bid with finalized design and mechanical drawings. The initial budget was \$2,202,843 with hard costs at \$1,900,000. With the aid of a contractor and architectural firm, the scope has been more fully developed and undergone a full bid process with confirmed subcontractor pricing. The revised budget is now \$3,714,764. Staff have reviewed the scope and budget and feel it is appropriate for this work in the current market. The Coop is therefore facing a funding gap of \$1,533,568.

We have requested that the Coop review a range of value engineering projects to reduce project costs. Some of these options would impact the historic elements in the building, reducing access to a \$100,000 grant committed by the Cambridge Historical Commission. However, the potential savings would not be significant, and would change the exterior of the building significantly by removing much of the historic building envelope materials.

Staff have worked extensively with the Coop and their development consultant to leverage other funding sources to cover the costs. The coop ownership structure makes it difficult to use any form of tax credits, as the coop would need to transfer ownership to another entity, which would fundamentally alter the resident-ownership model. They also consulted with state funding sources including DHCD and CEDAC, who both stated they did not see a path for the project to receive funding.

Cambridge Savings Bank (CSB) has provided a letter of interest to provide conventional financing for the project. This would be a loan secured by a mortgage on the entire building. CSB has provided a letter of interest to provide the requested \$500,000. Taking on new “blanket” mortgage financing to undertake rehab is an approach that has been successfully used by other coops.

We have reviewed the operating budget to determine if additional debt could be carried. An increase of \$100,000 to a total of \$600,000 is possible without increasing the number of shareholders who are cost burdened, discussed more below. The debt service coverage ratios for the increased loan would be sustainable at current revenue levels and would become more so over time.

Current sources and uses are:

Source	Amount	Use	Amount
First Mortgage	\$ 500,000	Hard Costs	\$2,723,771

Historic Grant	\$ 100,000	Contingency	\$ 408,565
Reserves	\$ 148,000	Soft Costs	\$ 582,427
MassSave	\$ 39,106		
CAHT Commitment	\$ 1,394,000		
CAHT New Request	\$ 1,533,658		
TOTAL	\$ 3,714,764	TOTAL	\$3,714,764

The TDC per unit is \$309,564.

Issues and Recommendations

Affordability and Carrying Charges

Current carrying charges are less than \$650 for each units, which is affordable to households earning approximately \$26,000 per year. Of the twelve shareholders, only one earns more than 80% AMI. The estimated median income is slightly less than 40% of AMI, with many shareholders living on Social Security. Even with low carrying charges, one-third of shareholders are cost burdened. Other shareholders pay low portions of their income for housing. This is similar to affordable ownership, where costs remain relatively fixed as incomes increase or decrease over time, compared to rental programs with annual recertifications and ongoing rent adjustments.

The coop has invested in ongoing maintenance, but the amount of work required to address rehab needs precedes the creation of the coop. Even if the coop had significantly higher reserves, the amount of work needed to preserve the building would require new subsidy.

The coop model does not support having income-based carrying charges, so that approach would require a shift towards a rental housing model and would be a significant change for the coop. This may also impact the operating revenue as shareholders retire or otherwise have lower incomes. The coop is concerned about changes to carrying charges causing displacement of very-low income residents, both current and future.

The 2019 Trust funding commitment required that the coop continue to increase carrying charges at a reasonable rate. However, carrying charges have not been increased for at least two years. Any additional funding could be contingent on benchmarked increases to the carrying charges to ensure that the coop is sustainable while minimizing the risk of displacement. Options could include a combination of the following:

- immediately increase carrying charges by 3% or CPI change for 2019 or some other reasonable increase;
- requiring an indexed increase annually as of a certain date (e.g. January 1 or July 1). Index could be straight percentage or tied to benchmark such as AMI or CPI;
- requiring an increase that aligns with median coop income;
 - a portion of increased revenue could be set aside to internally subsidize very-low-income shareholders who might otherwise be displaced by the increase;
 - when units turn over, new shareholders would need to have sufficient income to afford the charges at the higher level or have a voucher;

- this is not sustainable if too many residents require subsidy to pay the required carrying charges, and so could still result in residents being cost burdened.

Shareholder Selection

The 2019 Trust commitment is contingent on the Coop developing a shareholder selection plan that includes outreach to rental voucher holders. In previous conversations, the Trust members expressed a desire to increase the likelihood that future vacancies will be filled by voucher holders.

Other limited-equity coops have shareholder selection policies that align with this goal, while providing flexibility for the unique needs of housing cooperatives. Options include:

- requiring selection process to include preferences for voucher holders and/or certain income levels prior to offering share to next groups (e.g. voucher holders or households earning less than 50% AMI are highest priority);
- setting secondary preferences to align with Trust goals and/or additional equity goals;
- documenting required outreach and request assistance from CHA to ensure CHA voucher holders and CHA applicants are aware of new shareholder selection opportunities;
- including Trust representative (or designee) in shareholder selection process including interviews;
- lowering the maximum income from 95% AMI to 80% AMI, except in cases of surviving non-owner spouse or share transfer from deceased owner, to resident household member which would remain at 95% AMI;
- requiring coop to amend their by-laws as necessary to incorporate changes.

We recommend that the preference for voucher holders not be a strict requirement. Other coops with this preference use a model that provides that if they are not able to find an eligible shareholder with a voucher, they notify the City and the CHA. There would then be additional outreach, or the search would move to the next preference group. This process would incorporate feedback from both the City and the CHA. Other coop selection processes also have different requirements depending on how many units are currently occupied by “highest priority” households, with more stringent requirements when the ratio drops below a certain level, for example if fewer than 3 of 12 households are very low-income or have a voucher.

Demand for coop units has typically not been as robust as for housing in other affordable programs. The coop’s consensus and shared work model requires a large investment of time and process. In addition, the low carrying charges may mean that as soon as a voucher holder buys in, they may no longer qualify for subsidy and could lose the safety net of the voucher. Park View members have raised concerns about the ability of a voucher holder to afford the buy-in price with or without a share loan. We continue to work internally and with the CHA to understand how best to support a voucher holder purchasing in a coop. The is shared desire and agreement between staff, CHA and coop residents to fully explore how voucher holders can be offered housing at Park View when units are available. However,

there are currently no vacancies. Staff are working with CHA and residents to determine how this could be accomplished.

Share Transfer Appreciation

Currently, each share transfer price is estimated to be in the range of \$35,000. The share appreciation formula currently has three factors:

- Initial share buy-in price adjusted by the change in CPI from date of purchase;
- Capital improvements in the unit, capped at \$200 per year;
- Principal amortized on blanket mortgages paid by the corporation, based on the amount attributable to the unit.

The Coop is currently working with Cambridge Savings Bank to secure a \$500,000 blanket mortgage with a thirty-year term. Under the current appreciation formula, this would add an average of \$41,667 to each share price. Our analysis shows that the Coop could increase the loan to \$600,000 with a small impact on monthly carrying charges. Coop residents are concerned about how an increase in the CSB loan would impact future affordability. We recommend that the CSB loan be increased so that the Trust request can be reduced accordingly, and that the appreciation component relative to this loan be altered to reduce the impact on future affordability.

The current share appreciation formula is inverse to the depreciation of the work funded by the loan, giving the current shareholders more and more value for work (as the loan is repaid) that is closer to the end of its useful life. This is the opposite of how capital improvements are valued in affordable ownership units. The current model has no provision for improvements or maintenance funded through monthly charges or reserves but all costs other than interest for work funded through a repayable loan..

As we look at the impact of a new mortgage on share value, we agree with the concern about future affordability, and find these provisions from the 1980's counter to current best practices.

While some limited equity cooperatives use the principal amortization factor, none have taken on a mortgage of this size. Some coops use a portion of the carrying charges as a factor in the share price appreciation. This is intended to provide a partial reimbursement for what the portion of the carrying charge that is invested per share in the reserves and improvements.

For example, several other limited-equity coops use 8.34% of the monthly carrying charges. A change to a similar formula at Park View would shift a portion of the costs of the current rehab loan from future shareholders to the current occupants.

For example, at the end of 30 years under the current model, each share price would increase by \$50,000 for payment of a \$600,000 mortgage. Under the alternative model, assuming increased carrying charges each year, this factor would increase share prices by approximately \$17,000.

Any additional funding commitment could be contingent on changes to the share price formula used by the coop. Options include:

- changing the principal amortization factor to either:
 - substitute a portion of the monthly charges;
 - cap the amount that can be recovered;
 - exclude all or a portion of the CSB loan for this project;
- capping the overall share price to be tied to a factor such as AMI or CPI; or
- depreciating value of any work completed.

Monitoring and Oversight

We recommend that any additional funding be contingent upon entering into a monitoring agreement with the Trust through the Community Development Department. In addition to participation in the shareholder selection process, we recommend that oversight include:

- regular review of Coop finances and budgets, including operating and capital reserves;
- approval of annual carrying charge amounts;
- requiring and reviewing updates to Capital Needs Assessment as requested to ensure sustainability;
- provision of any other information as requested.

We also recommend that the Trust require that a monitoring agreement include steps to be taken if the coop's finances are unsustainable, including requiring that the next vacant unit(s) be purchased by the coop and rented to a tenant with a mobile voucher paying Fair Market Rent; oversight by a non-profit housing provider; or in the case of financial infeasibility, transfer of the property to another entity for continued operation as affordable housing.

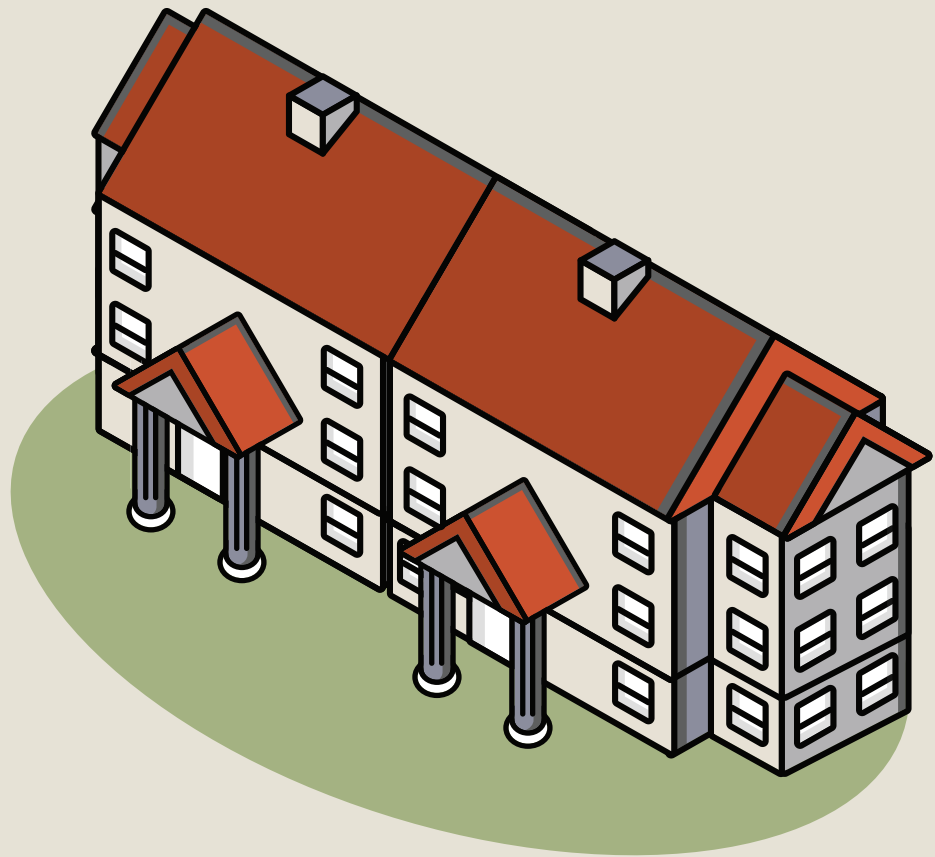
Summary

Limited-equity coops are a unique part of the affordable housing stock in Cambridge. Coop shareholders are not able to access individual mortgages or home equity financing. These units are also not eligible for most affordable housing subsidy programs without altering their very nature as cooperatives. The work on this building cannot be completed without significant public subsidy. As noted, this will be the only public subsidy invested in the project over almost 40 years. The rehab needs of the building are extensive and will require a significant amount of public funds given the limit of what the coop can afford based on the income of most residents there.

The Coop has committed to putting a new Affordable Housing Covenant on the building that will ensure an additional 50 years of affordability, with the ability to extend that restriction further

The Project Review Committee is requesting that the Trust review the issues raised by staff and in its discussion of this request and provide input on appropriate terms and conditions if the coop's request for additional funding from the Trust is approved.

Affordable *Ownership* at Park View Cooperative



PROJECT UPDATE FOR CAMBRIDGE AFFORDABLE HOUSING TRUST

Cambridge, Massachusetts
July 20, 2020

PROJECT UPDATE FOR CAMBRIDGE AFFORDABLE HOUSING TRUST

We are pleased to present you with updated information on the rehabilitation project of the Park View Cooperative, located in the historic building at 24–26 Corporal McTer-nan Street in Cambridge. The limited equity structure of Park View Cooperative pro-vides *lasting affordability*, *wealth creation* for families of limited income, and *communi-ty stabilization*.

We are including support letters from our team of talented and dedicated people working to see this project through, in challenging pandemic times. The numbers in the updated budgeting document, prepared by our independent project manager Alan Zimlicki, an expert in affordable housing development, are in alignment with current construction and rehabilitation costs for Cambridge.

Throughout this development process we have made significant investments of time and money. Park View has taken on substantial risk to see this project to its comple-tion. We have spent approximately \$206,000 to date on soft costs. The bottom line, however, is that we have a deficit of approximately \$1.4 million dollars in necessary funds. All other potential funding sources have been explored and exhausted.

We have outlined in detail some of the primary consideration we think the Trust will want to weigh in deciding whether to extend the additional funds to our unique 100% affordable cooperative.

Section 1: The Benefits of Affordable Co-op Housing Ownership vs. Affordable Rental

Park View was established in 1984. Since then, our members have managed, main-tained, and preserved the building for low- and moderate-income individuals and fam-ilies, with no financial assistance from the city. We are self-managed: doing this work together creates a strong sense of community with a responsibility to each other and our surrounding neighborhood. Those who choose to move on leave with a small nest egg for a down payment on a home as well as management experience. Others choose to remain for most of their lives. We have succeeded in providing stable housing at fair prices for a diverse community of people, all while remaining financially solvent despite the major life events of our members and community at large. We have endured de-cades of societal change, and the increasing costs of housing and repairs in a city that is now one of the wealthiest in the world. Our ability to continue our work is now at risk without your help.

As an affordable *ownership* housing cooperative, unlike affordable rentals or condominiums, there is a fiscal and legal responsibility to our member-owners. We must consider the interests and needs of all members, *especially those with the least means* and take into account how incomes change over their lifespans. Members often buy in early in their careers when their incomes are low, and while over time their incomes may rise, when they retire resources drop again. We do not have market-rate units, and because we have to manage our own risks, we must work to maintain our reserves without expecting other members of low means to subsidize those of relatively less means.

The people we are protecting include member-owners who live on fixed incomes due to employment losses, retirement, and disability. We also recognize a constant duty to not only our current members but to future members, whose circumstances we have no way of predicting. If we make the wrong financial moves, fewer people will be able to move in, and more people may be incentivized to leave.

Unlike the costs for condominiums or rentals, our reasonable carrying charges and self-management means that we have been able to weather a storm of changes, such as the 2008 recession and the current pandemic. This combination of fiscal responsibility, self-management, and sweat equity has also allowed us to invest over \$500,000 in improvements to the property.

Section 2: The 30 Percent Income Ideal does Not Fit a Small Limited-Equity Coop

The 30% percent income standard that is typically considered ideal when measuring people's ability to afford rental units does not work when applied to a small affordable-ownership cooperative with only 12 units because we cannot accommodate fluctuating incomes like a much larger complex or plan for the future based solely on the incomes of current members.

If we financed this project based on a 30% standard and a higher income member moved out while a lower income individual moved in the remaining members would then have to pay more than 30%. This could have a significant impact on the member-owner of the least means. It could also act as a disincentive for the Co-op to sell to eligible Section-8 holders-and low-income individuals. This would be in direct conflict with our charter: providing affordable housing for *all* eligible applicants.

The City has also stated they wish to see prospective residents on Section 8 be considered for not just rental but also buy-in at Park View. As stated above, adopting the 30% standard would be a disincentive to selling to low income individuals and certificate holders and would undermine the policy goals of the Housing Trust. As an organization we also have to consider what the housing burden would be when Section 8 certificate holders are no longer eligible. A Section-8 holder, at the upper limit of eligibility would be paying approximately 27% of their income at our current monthly carrying charges plus a share loan (that helps with the buy-in cost for a unit), when no longer holding a certificate.

Section 3: Financing Considerations Related to Increasing the Loan Amount

Park View's share valuation formula adjusts according to the housing index and principal paid on loans. Its current form was created in consultation with the City at the Co-op's inception in the 1980s and makes sense from a policy perspective as it incentivizes taking on a loan to keep up the building. The principal taken out on a loan is added to the value of the shares. This increase in the value of the shares may negatively impact the affordability of the buy-in. We have to weigh the increasing cost of buy-in against the need for more funds.

Park View has committed to a 3% increase in carrying charges once construction is completed. We are an aging-in-place community, with most member-owners on fixed incomes, and several on unemployment due to the pandemic. Carrying charges at present levels have protected the most vulnerable of our Co-op community. Our building upgrade project has been predicated on the basis of remaining affordable for our most vulnerable. Adding to the loan is likely to lead to increased carrying charges. ***Any substantial increases in monthly carrying charges in the future are not viable.*** It would also limit the ability of current and future families to save in order to purchase larger units as previous members with children have—including a number of single mothers who have been able to acquire homes through the first-time home buyers program.

Park View is committed to a \$500,000 bank loan at the request of the City. An increase in the size of this loan will have a deleterious effect on future buy-ins when residential units turn over, as share value increases as loan principle is paid. This additional buy-in costs along with the need for a larger share loan prohibits ownership for low income individuals/families.

Section 4: Maintaining a Resilient Community Even During COVID-19

Living through the pandemic and the corresponding financial crisis has dramatically heightened the vulnerability of our community. The member-owners cannot bear the burden of additional debt and also continue to thrive as a resilient community. The long-term success of Park View has been based on a formula of fiscal responsibility, self-management, and sweat equity. Any additional debt burdens will keep us from remaining resilient as we endure the pandemic and prepare for other future economic/environmental/health disasters.

Conclusion

This project has two historic components. One is preserving our wonderful building in its ideal location. The other is preserving our unique affordable *ownership* model and the way of life it permits—a model of self-sufficiency and collaboration for people at all stages of life. Park View Cooperative is already incredibly grateful for the \$1.394 million the Affordable Housing Trust has awarded for our renovation and for the willingness to consider additional funding. We are excited about our partnership and believe our collaboration with you all will serve as an exemplar for preserving limited equity co-op ownership. The support from Cambridge Community Development has been fundamental to our success and will continue to be.

When considering what additional resources Park View can commit to the project we have thought hard about what has sustained us. These are the values we practice:

- *Affordability*, for the most vulnerable members;
- *Resiliency*, having financial resources to weather social and economic crises;
- *Community*, creating a culture of support and ability to self-manage; and finally
- *Stewardship*, of our building, our land, and our unique place in Cambridge.

Thank you for all you have done to further this mission so far and for the additional help you might be able to provide.

July 20, 2020

Park View Cooperative
24–26 Corporal McTernan Street
Cambridge, MA 02139

Cambridge Affordable Housing Trust
Louis A. DePasquale, Chair
344 Broadway
Cambridge, MA 02139

**Re: Structuring a Design Conversation to Implement New Affordability Programs at
Park View Cooperative**

Dear Trust Board Members:

We were encouraged by recent interactions with various city and community stakeholders as we near finalization of the Park View Cooperative Corp.’s renovation project planning. It has been communicated to Park View that formalizing our selection process and accepting section 8 certificate holders are fundamental to secure funding from the Trust. We have a strong desire to work through these issues with the trust and these stakeholders—collaboratively. We think that the funding of our full and reasonable project scope is in everyone’s best interests.

The conditions to get there require further refinement and conversation. We are writing to get additional information so that we can finalize a clear governance framework and ensure long-term affordable *ownership* to more people.

We are requesting that the Trust and the City engage in an active conversation with us so that we as stakeholders can design how to meet these conditions.

The two topics that are necessary for discussion include: (1) how we might be able to incorporate people living through Section 8 programs; and (2) what approaches we can take to develop a new ranking system for incoming members that can balance the self-governance and financial requirements of Park View with the needs, resources, and abilities of potential members.

We have worked aggressively to address and understand the Trusts requests regarding section 8 and tenant selection and what opportunities and obligations these may impose. Without more guidance from the Trust and the other stakeholders, however, it

will be nearly impossible for our Board, which strives for consensus on major issues like this whenever possible, to make a clear offer. We do not currently comprehend how addressing the above issues will help or hinder our affordable *ownership* mission, and what are the responsibilities we are accepting.

A Necessary Conversation Surrounding Incorporating Section 8 Certificate Holders as Members

The Section 8 program offers many opportunities, but it also confusing how this will work as Cambridge does not have a section 8 homeowner program. In our discussions with Hannah Bolcome and Zachary Gordon, it is not clear how this program will be implemented. The design conversation that we would like to have includes some of the following topics:

- The problems associated with adding Section 8 rental units vs. the opportunities of incorporating Section 8 member/owners;
- How Section 8 could help cover share loans for the purchase of shares and whether there are meaningful ways of dealing with the costs associated with carrying charges vs. share loans;
- What amounts we might actually receive from the Section 8 program to accomplish these various aims;
- Dealing with the burden on Section 8 holders when they come off the program and are already paying 30% of income when there are further increases in carrying charges;
- Plans for coping if Section 8 subsidies are ended by the government—a non-speculative risk;
- Plans for coping if section 8 certificates are ended due to administrative action;
- Structuring the agreement for Section 8 consideration between the Trust and Park View; and
- Interfacing with Cambridge’s Section 8 program, which may limit what we can do.

Beyond Section 8, we also have concerns about how we can evolve some of the City’s tenant-selection criteria into our governance structures.

An Essential Conversation Regarding Member/Tenant Selection

We see no reason why our current member/tenant selection could not evolve. The criteria that we use today already largely conform to what we perceive the Trust might want from us. We do, however, have long-standing legal obligations to our shareholders and need to understand what exactly the city is asking for to make an informed decision about what we are agreeing to do and to give up.

We also need to make sure that these people are prepared to handle the, at times, burdensome work of self-managing a 12-unit residential building. The policy implications are great, and we do not want to overburden new members or to fail to accept members who will be great additions to our community.

Some of the topics that deserve to be addressed in our design conversation include:

- How to properly provide for housing for families given our limited number of larger units, including how we can adopt/change the City's point-based system for housing inclusion;
- How to ensure that co-op work can be required and managed by incoming members;
- When it might be appropriate to permit an individual or small family to occupy a larger unit;
- Structuring the agreement for Section 8 consideration between the Trust and Park View;
- Providing precision as to the actual income requirements and ranges the city wants prioritized; and
- The nature and extent of the Trust's involvement in member selection.

Please know that this letter reconfirms Park View's commitment to work with the various stakeholders in this project and reach an agreement. We would suggest that we convene a video conference with all the city stakeholders, our lawyer, and the development team from Park View to address some of these specific issues that, can then be taken to our full board of directors for a binding decision.

Sincerely,



Catherine Tutter
President

cc: Anna Dolmatch (adolmatch@cambridgema.gov), Chris Cotter (ccotter@cambridgema.gov); Janet Haines (jhaines@cambridgema.gov); Hannah Bolcome (hbolcome@cambridge-housing.org); and Zach Gordon (ZGordon@cambridge-housing.org)

Memorandum

To: Affordable Housing Trust

From: Park View Cooperative

Date: 7/20/20

Subject: A framework to achieve the policy goals of the Housing Trust

Considering the Trust's most recent requests and the additional conversations had with members of Community Development we now understand that both the building and our community are being transformed. Significant time, in collaboration with the city, has been devoted to developing the necessary plans and determining the costs related to upgrading the building — *Less so the changes required to meet the policy goals which entail major changes to our business practices; rights of members; wealth creation and allocation of time and financial resources to guarantee lasting affordability.*

The coop's success rests on the values we practice:

- **Affordability**, for current and future members regarding carrying charges and share purchase
- **Resiliency**, having the financial resources to weather social and economic crises; and to assist the most vulnerable members of our community
- **Community**, creating a culture of support and ability to self-manage, and understanding our responsibilities to the residents of our city
- **Stewardship**, of our building, our land, our unique place in Cambridge and our mission to preserve affordable cooperative housing for generations.

The practice of these values deliver the public benefits so important to our low/moderate income residents and the City government; *lasting affordability; wealth creation; and community stabilization.*

The template being created by the development process we have gone through, will be applied to future limited equity coop projects. So it is essential to perceive the opportunities and costs associated with meeting the Trust's and the City's policy goals; and how best to achieve them.

Considering member selection and support; share value formulations; share values; and share loans—must be part of the conversation to achieve a successful program. The changes required of the Park View Community must be comprehended, quantified and valued: not all come with a dollar amount, but they are all substantial.

The Park View Cooperative Board is considering a number of options, in lieu of a larger loan, that we believe best serve the policy goals of the Housing Trust; are in accordance with our values, practices goals, and are the best uses of our additional resources. These include:

- **Member Selection:** new selection criteria, working with the section 8 program and providing new member support.
- **Share Value Formula:** Reevaluate the adding of principal on loans to the value of shares.
- **Share Values:** Taking a loss on the resale of shares to maintain long term affordability.
- **Share Loans:** Allocating funds to the cash reserves for the purpose of giving out very low percentage to no percentage share loans to incoming members.

We are grateful for the trust and goodwill shown by all the people affiliated with the city that we have worked with. It is exciting to create a new way to preserve limited equity coops together.

cc: Chris Cotter, Anna Dolmatch, Janet Haines

FUNDING ISSUES AND STRATEGIES — Park View Cooperative

1. Contributions to Reserves for Replacement			
<i>Year 1 Opening Contribution</i>	\$9,600	\$800	per unit
2. Reserve Balance			
Assumes opening balance of	\$80,000	\$6,667	per unit
3. New capital			
Year 11	\$72,500	\$6,042	per unit
4. Deficits if no new capital			
First deficit in Year 11	\$5,184	\$432	per unit
Deficit increases to Year 15	\$75,400	\$6,283	per unit
Deficit continues to Year 20	\$23,543	\$1,962	per unit



Park View Project Options

	Materials	Installation	Total	Longevity	Maintenance	Lead Time	Notes
Roofing							
Red slate			\$153,000	over 100 years w/ copper nails.		8-10 months	weather - 6-7 week job
north country slate			\$114,000	over 100 years w/ copper nails.		immediate	weather - 6-7 week job
Asphalt			\$85,000	20		immediate	3 week job
Siding							
Stucco			\$173,000	70	watch cracking and repair		installation time the same
EFIS			\$140,000	50			
Hardie Board			\$70,000	35	painting		
Windows							
Marvin Integrity	\$162,000	\$51,000	\$213,000	30 years +	painting interiors		fiberglass exteriors, wood interiors, apparent divided lites
Marvin Essential	\$137,000	\$51,000	\$188,000	30 years +			fiberglass exteriors and interiors, single-lite sashes
Kitchens							
Doing them later			\$50K-\$100K				duplicate plaster, painting, electrical work

Low-Income Multifamily Energy Retrofit Program Incentive

July 17, 2020

Dear Dennis Friedler,

Action for Boston Community Development, Inc. (ABCD), the administering agency for the Eversource Gas and Electric Low Income Multifamily Energy Retrofit Program, has completed its cost effectiveness review of **Parkview Cooperative**. ABCD has approved, subject to final completion and inspection, incentives for **weatherization and heating systems** in the amount of **\$39,106.30**. The energy efficiency measures need to be installed before December 15, 2021 to receive the aforementioned incentive.

Thank you for participating in the Low Income Multifamily Energy Retrofit Program.

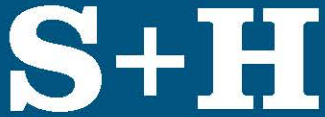
Regards,

Billierae Engelman

Billierae Engelman

Manager, Low Income Multifamily Energy Retrofit Program

Action for Boston Community Development, Inc.
Robert M. Coard Building
178 Tremont Street
Boston MA, 02111



c o n s t r u c t i o n i n c

July 15, 2020

Cambridge Affordable Housing Trust
Community Development Office
344 Broadway
Cambridge, Massachusetts 02139

RE: Park View Cooperative Corp. Construction Planning and Funding

Dear Board Members:

I am the owner of S+H Construction Inc. Park View Cooperative invited us to bid on their project in early 2018. We bid again in the summer of 2019, as more details were defined. Our bid was chosen among several to do the project, dependent on the Co-op being able to secure the remaining funds needed to proceed. Since then we have signed a pre-construction agreement and have are working closely with the Coop to finalize construction plans, including doing value engineering, We are writing here to express our strong encouragement to proceed with full funding.

As I'm sure you know, the components of construction are deeply intertwined, and there would be additional costs associated with doing some of the work later. For example, the building is in immediate need of an electrical system upgrade, which requires rerouting wires in all of the apartments. If the kitchen and bath renovations are delayed, and those walls remain closed, the upgrade could not be completed as planned. The work-around to keep the kitchens and baths energized would cost tens-of-thousands of dollars. And the additional disruption to residents and neighbors would be months.

Other reasons for higher costs in a bifurcated project include the lack of bulk savings in materials, opening up walls more than once, the fixed costs of starting up new projects, and the difficulty of assembling new teams who may not know some of the underlying intricacies learned about the building in the first instance.

The building requires attention at this point in its life, so that it can last for many more years. The benefit, aside from revitalizing a beautiful building in the neighborhood, is increasing energy efficiency – a new HVAC system, windows, and insulation will make a huge difference.

We are experienced in projects of this scale, and are ready to start with a few weeks notice. Our Covid protocols are in place, and we have multiple projects going in Cambridge, so we are experienced with Cambridge Covid processes. I hope that you will strongly consider fully funding the shortfall.

Sincerely,

A handwritten signature in blue ink that reads "Sarah Lawson". The signature is written in a cursive style with a large, circular initial "S" and a long horizontal flourish at the end.

Sarah Lawson
President

Cc: Park View Cooperative

CAPITAL
NEEDS
UNLIMITED

July 13, 2020

Mr. Louis A DePasquale
Chair, Cambridge Afford Housing Trust
795 Massachusetts Avenue
Cambridge, MA 02139

re: Park View Cooperative

Dear Mr. DePasquale:

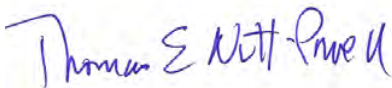
I write regarding the capital needs of the Park View Cooperative, now and for the future. This communication is prompted by my work with the Coop over the past few years, beginning in 2015. The Park View Cooperative is a unique property, special in its approach to ensuring continued affordable housing.

I have attached several documents relative to projected capital needs, with particular attention to the impact of not including kitchen and bathroom work in the *Renovation Scope*. The documents include (1) 20-year projection of Capital Needs by system by year and (2) the 2015 Photo Record of conditions at Parkview as well as (3) a summary of the qualifications of CNU, including my professional experience.

The bottom line relative to deferring kitchen and bathroom work is that the Coop's *Reserves for Replacement (RR)* account will be in deficit beginning in Year 11, meaning that many actions (including kitchen and bathroom work shown in Years 11 and following) cannot be done. Further, given the large amount of work done in the *renovation*, there will be significant capital needs in Years 21>25+, also unable to be addressed. As shown on the next page, new capital of \$72,500 (over \$6,000/unit) in Year 11 would permit capital needs to be addressed with the *RR* balance staying about \$0 in all years, though dropping to only \$44 in Year 15. A key question is the source of this new capital.

A couple of other comments. Selecting long-life materials and treatment is always sensible, along with energy-efficient approaches. Thus standard stucco and slate roofing a wise choice, along with the conversion from steam heat to high-efficiency hydronic heat generation and distribution.

Sincerely,



Thomas E. Nutt-Powell
President



Cambridge Affordable Housing Trust
344 Broadway
Cambridge, MA 02139

Dear Board Members,

The Cooperative Fund of New England is a Community Development Financial Institution, certified by the U.S. Treasury, and lending to cooperatives since 1975. We approved a loan to Park View Cooperative in 2017.

We recognize that cooperatives are a tool for economic justice, creating ownership and financial stability to populations that have historically been denied access to both. Limited equity cooperatives provide some of the most affordable housing available, due to their unique structure in which many residents share the costs of purchase and the costs and responsibility for maintaining the property. Indeed, in today's housing market, cooperatives are one of the few options accessible to many working people.

We understand that Park View is willing to extend the opportunity for home ownership to those whose income is lower than that currently required to meet the co-op's income guidelines, and we applaud their commitment to expanding affordability.

As a lender, we would be happy to consider a request to increase our Line of Credit to the co-op so that, if necessary, they can increase the size of the loans they make to incoming members to help them purchase shares in the co-op. We are also prepared to work with the co-op to provide or refer resources to educate their members so they can make informed decisions based on an understanding their finances and maintain their strong government structure.

The work of the Cambridge Affordable Housing Trust has been critical in allowing residents to stay in Cambridge, and we thank you for your ongoing work with, and commitment to, limited equity housing cooperatives such as Park View.

Sincerely,

Maggie Cohn, for the Cooperative Fund of New England



July 10, 2020

Mr. Dennis Fielder, CoOp Representative
Park View Co-Operative

Dear Dennis,

Cambridge Savings Bank received your Organization's request for financing comprehensive renovations to the building in Cambridgeport. Based on the information you have provided, including organization financial statements and the real estate appraisal, we are pleased to inform you that the Co-Operative has been conditionally approved for up to \$500,000 in a first mortgage on this project. Note that the Commitment will only be issued upon final review by a Cambridge Savings Bank underwriter, and such underwriting criteria may include, but are not limited to the receipt of a satisfactory title and environmental review if indicated. If the property is found to be in a Federally-designated Flood Zone, flood insurance will be required.

Please do not hesitate to call me if you have any questions during the purchase and loan process. I look forward to working with you on this project, and all the best to you and your colleagues,

Sincerely,

Barbara Crystal

Barbara Crystal
Senior Vice President

Chia-Ming Sze Architect Inc.

326 A Street Suite 2A Boston, Massachusetts, 02210

Architects & Planners

tel : (617) 451-2727

JULY 19, 2020

Cambridge Affordable Housing Trust
Community Development Office
344 Broadway
Cambridge, MA 02139

RE: Park View Cooperative

Dear Board Members:

We have worked with the Park View Cooperative owners since September 2018. Our Architecture and Planning firm started in 1972 in Cambridge and moved to Boston's Fort Point Channel in 1981.

Our firm has completed many affordable housing projects. We work closely with residents and their funding and approval entities to foster a team approach. We were the architects and planners for the 500 unit resident owned limited equity coop at Castle Square in Boston's South End. We designed three Demo-Dispo Projects with HUD and Mass Housing for their resident associations. We also work on small projects.

The Park View Coop resident-owners have worked very diligently with passion to restore, renovate, and adapt their historic building, so that it will be an attractive model project for themselves and Cambridge. Our jointly defined project scope is straight forward, simple, and results in durability and ease of maintenance for the residents going forward.

Our contractor, S+H Construction Inc. was selected through a detailed vetting process. They have been working with us to get construction numbers defined and provide some alternative cost items, so that funding entities can reach their comfort level to close the project. In these COVID times and with economic uncertainty before us, we have found that some projects are receiving a "COVID funding subsidy boost" from their funders.

We look forward to working with everyone to a start of construction and a successful completion of the project. The City of Cambridge has been a very supportive partner.

Sincerely,

CHIA-MING SZE ARCHITECT INC.



Chia-Ming Sze, Principal.

July 20, 2020

Cambridge Affordable Housing Trust
Louis A. DePasquale, Chair
344 Broadway
Cambridge, MA 02139

Dear Housing Trust Members,

I am a former Park View Cooperative shareholder. My infant daughter and I moved in to the Park View Co-op in early 2003 and lived there until 2007. We were grateful to be in a supportive community and proud to own shares in a property in Cambridge. Knowing everyone in the building and meeting regularly with members provided a sense of safety and security for us. As my daughter grew older, we outgrew the space, but I was able to use the equity from the Co-op and other money I saved for a down payment on a condo in Cambridge offered to first time home buyers. It would have been difficult for me to do this had I not had the opportunity to buy into Parkview Coop and benefitted from the reasonable monthly share payments. Paying market rate rents combined with the costly daycare would have made it impossible for me to afford to stay in Cambridge or the Boston area.

As a member of the Park View Co-op, I was part of the monthly board meetings, which allowed me to learn how to work with a group to manage and maintain a building. These skills were useful when I became a homeowner and was responsible for identifying repairs and choosing professionals to repair my own home.

When we moved into our condo, my daughter was very sad because she thought we had left our family at the Park View coop. However, we have remained in the same neighborhood, and kept up a good friendship with one of the long-standing members of the Co-op. The experience of being a member of the Park View housing cooperative was invaluable in supporting my family. I hope others have the same opportunity.

Sincerely,

A handwritten signature in cursive script that reads "Kai Long".

Kai Long
290 River Street, Unit 4
Cambridge, MA 02139
(617)547-1438