



CITY OF CAMBRIDGE
Community Development Department

IRAM FAROOQ
Assistant City Manager for
Community Development

SANDRA CLARKE
Deputy Director
Chief of Administration

KHALIL MOGASSABI
Deputy Director
Chief of Planning

Affordable Housing Trust

April 28, 2022, 4:00 p.m.

To participate in this meeting hosted on the Zoom video meeting platform, please register using this [link](#) in advance of the meeting.

[Webinar Registration - Zoom](#)

AGENDA

- Review of Meeting Minutes
- Update from the Community Development Department
- 49 Sixth Street: Preservation of Affordable Housing (POAH) will request funding from the Trust to assist with their plan to create 46 new affordable housing units by converting non-residential buildings to multi-family housing
- Adjournment

344 Broadway
Cambridge, MA 02139
Voice: 617 349-4600
Fax: 617 349-4669
TTY: 617 349-4621
www.cambridgema.gov

Members of the public can provide written comments to the Affordable Housing Trust by email sent to ccotter@cambridgema.gov, or by delivery to the CDD office, by 5:00 P.M. the day before the meeting.

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
March 24, 2022 at 4:00 p.m.

Conducted virtually via Zoom

Trustees Present via Zoom: Peter Daly, Florrie Darwin, Elaine DeRosa, Gwen Noyes, Elaine Thorne, Bill Tibbs

Trustees Absent: Louis DePasquale, Susan Schlesinger, Jim Stockard

Staff Present via Zoom: Mayor Sumbul Siddiqui; Iram Farooq, Assistant City Manager for Community Development; Chris Cotter, Housing Director; Cassie Arnaud, Senior Housing Planner; Anna Dolmatch, Homeownership Program Manager; Emily Salomon, Associate Housing Planner

Others Present via Zoom: Eighty-four individuals attended the meeting; individual names not listed due to the large number in attendance

The acting chair, Bill Tibbs, called the meeting to order at 4:01 p.m. Chris Cotter explained that this meeting of the Affordable Housing Trust would be held virtually pursuant to the temporary emergency orders currently in place, 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, by roll call of six in favor and three absent (Mr. DePasquale, Ms. Schlesinger, and Mr. Stockard) to approve the minutes for the meeting of Thursday, March 3, 2022.

UPDATE FROM CDD

HomeBridge: Six buyers have active commitments and one home to close this month.

Homeownership Resale Program: Two units are under agreement. Staff are waiting for offers of another unit that has recently been marketed. Resale units are being made available to new buyers under a revised process adopted due to the pandemic to offer virtual unit tours.

2072 Mass Ave.: Capstone/Hope team withdrew their request for a comprehensive permit at the September BZA hearing but remain committed to creating affordable housing at this site. The developers are assessing next steps and options.

Park View Cooperative: Staff has been working with residents of the Cooperative in preparing to close on the loan commitment. The Coop is now selecting a new contractor to bid on the project.

Fresh Pond: The owner continues to work with tenants, the CHA, and the City to prepare for the official launch of the new affordable program on April 1, 2022

Rindge Commons Phase 1: JAS is preparing to close on construction financing to begin construction of Phase 1 in May 2022. They have a commitment from an investor for New Market Tax Credits. JAS and the City are working out details regarding leasing a portion of the non-residential space for City-sponsored pre-kindergarten classrooms.

Broadway Park: JAS has had several community meetings to review its development proposal and expects to seek a comprehensive permit for the development later this year.

35 Harvey Street: HRI is preparing to renovate this property from SROs to studio apartments. HRI is in the process of assembling the remaining financing needed, with a goal of beginning construction later this year.

Inclusionary Housing: The City is underway with a lottery application process for new inclusionary homeownership units at Saint James and Inman Crossing, and has accepted applications through a new online application. The City's rental team is preparing to offer new units which will soon be compete at 95 Fawcett Street and at the intersection of First and Charles Street.

AFFORDABLE HOUSING OVERLAY (AHO) UPDATES

AHO projects are now added to the project update report.

52 New St: The Affordable Housing Overlay process is complete. JAS has local funds committed to the project and are preparing to apply for state funds.

Jefferson Park Federal. The Cambridge Housing Authority completed its second advisory design consultation with the Planning Board in February. The Planning Board issued the final Planning Board advisory design review report, a copy of which was transmitted to the Trust in this month's briefing materials (see below). The Affordable Housing Overlay process for this project is now complete.

116 Norfolk Street: The Cambridge Housing Authority is proposing to renovate and expand its existing property at 116 Norfolk Street under the Affordable Housing Overlay. The CHA hosted the first community meeting in February. A request for Trust funding is anticipated in the coming months.

Walden Square II: Winn Development is proposing a new infill AHO project on a portion of their existing Walden Square Apartments site. They held three AHO community meetings and had been scheduled to present their plans to the Planning Board in late 2021 but requested a delay to allow them time to revise their design. The developers held a community AHO meeting last month to present their revised plan to the public and will restart the advisory design review process at the Planning Board. A request for Trust funding is anticipated in the coming months.

49 6th Street/Sacred Heart conversion: POAH & Urban Spaces held two AHO community meetings in 2021; the first AHO advisory design consultation by the Planning Board is scheduled for April 5, 2022. They are proposing the adaptive re-use of a portion of the Sacred Heart property into 46 units of affordable rental housing. A request for Trust funding is anticipated in the coming months.

OTHER UPDATES

On March 16, 2022, the Housing Committee held a public hearing to continue discussions around raising the Housing Contribution rate in the Incentive Zoning provisions to \$33.34 per square-foot for new non-

residential development. They recommend this increase be sent to the City Council for a zoning amendment to make this change.

On March 15, 2022, the Planning Board discussed zoning principles and concepts in response to the City Council's request to explore options to eliminate single family and two family only zones in the City of Cambridge. Continued discussion of this is expected by both the Planning Board and City Council.

NEW BUSINESS

Homeownership Program Review Process

Staff are beginning a review process of several of the City's affordable homeownership program policies, including: the calculation of an affordable homeownership unit's increase in value over time, often known as the "resale formula", how capital improvements are considered, the resale process, and inheritance. There are currently over 550 limited equity units in the City's affordable housing stock.

Anna Dolmatch, Homeownership Program Manager, opened the discussion by noting that all owners of affordable homes had been invited to attend the Trust meeting and that many owners are attending the meeting today. Trust members welcomed the owners in attendance and thanked them for joining.

Ms. Dolmatch gave a short PowerPoint presentation providing an overview of key elements of the City's homeownership program, including how the existing portfolio of homes were created, unit deed restrictions, the current resale formula, and inheritance policy.

Trust members had several questions about the resale formula and asked to see the percentage of return on equity so that it can be compared to other asset/investment returns. Ms. Dolmatch confirmed that this data is tracked as both annual percentage increase as well as cumulative increase. Trust members commented that the formula doesn't currently function as a tool to build wealth, but that the program supports other outcomes such as the opportunity for owners to stay in Cambridge and to stabilize owners' housing costs. However, if a program goal is wealth building, the program is falling short for owners to transition to market rate ownership.

Trust members emphasized that as the City explores policy changes to the resale formula it will be essential to consider the costs of allowing greater equity return and balancing the long-term affordability of the housing stock. It was suggested to review how affordability levels have changed over time as resales and buy backs occur, and to understand the implications of having to add more funds to the program as a potential trade off to help owners attain more equity.

Trust members asked about resale formulas that other cities utilize for their affordable homeownership program. Staff explained that there are a wide variety of approaches, and staff can present different models and options at future meetings.

Staff and Trust members discussed the homeownership program's inheritance policy. Currently, owners are unable to transfer their property to family members without a sale approved by the City to an income-eligible family member. Staff noted that they always work with families on a case-by-case basis to ensure that family members are not displaced in the case of a parent/owner's passing.

Staff noted that this is the very early stage of the homeownership program review process and that there will be further discussions with the Trust, the City Council, and Housing Committee. There will also be a process to engage owners in discussions through focus groups, and public meetings for applicants and members of the general public to participate.

Chris Cotter welcomed Mayor Siddiqui to the meeting. Mayor Siddiqui thanked the Trust and staff for the discussion and noted that many of these questions and issues that emerged from the presentation were generated from the current owners and members of the community. She noted that the process to explore changes to the homeownership program is a Council priority and appreciates the Trust taking this on.

Jefferson Park Federal Affordable Housing Overlay (AHO) Advisory Design Review

The Planning Board has issued the Final Report of Affordable Housing Overlay (AHO) Design Consultation for the Cambridge Housing Authority's comprehensive modernization of Jefferson Park Federal. The report is favorable, and indicates the Planning Board is pleased with the design approach and changes CHA proposed through the design consultation process.

Under the provisions of the Affordable Housing Overlay, it is required that the results of the advisory design consultation process be provided to the Affordable Housing Trust.

Mr. Cotter noted that the Trust included a condition in its approval Trust funding for Jefferson Park that the Trust receive and consider the Planning Boards report from the advisory design review.

The Trust expressed their satisfaction with the report and, in a roll call vote with five in favor, one abstaining (Ms. DeRosa) and three members absent (Mr. DePasquale, Ms. Schlesinger, and Mr. Stockard), voted to accept the report and to acknowledge that that condition of that funding commitment has now been satisfied.

35 Cherry Street

The Community Development Department recently completed a community process to determine how best to use the property at 35 Cherry Street to create new affordable housing. CDD's community process included two community meetings and six focus groups.

On March 7, 2022, the City Manager sent a report on CDD's community process to the City Council with a recommendation that the City Council approve the disposition of the property to the Affordable Housing Trust for the development of affordable homeownership housing. The City Council has approved this recommendation.

The Trust is now empowered to issue an RFP to select an affordable housing developer for this site. Trust members asked if there was a target for the number of units at Cherry Street and if the City would conduct a feasibility study for the site prior to selecting an affordable housing developer.

Staff explained that once a developer is selected through the RFP, the specifics of the development scope will be determined but that the community's preference is for large family-sized units, which may limit the overall unit count. The RFP will focus on both the developer's concept and approach to the site,

financial plans for the project, as well their capacity to ensure they are qualified and able to deliver the project. There will be some development parameters outlined in the RFP based on the community process, but it will be open enough to allow for developers to submit a range of creative responses for the Trust to review. Staff mentioned that the RFP would be shared with the Trust for their input before it is sent out. Trust members were supportive of this approach.

Trust members asked for details about the site disposition process. Staff noted that the site would soon be transferred from MIT to the City, and then eventually to the Trust once a developer is selected, before the site would be conveyed to the selected developer.

ADJOURNMENT

Upon a motion moved and seconded, by roll call of six in favor and three absent (Mr. DePasquale, Ms. Schlesinger, Mr. Stockard) to adjourn the meeting.

The next meeting is scheduled for April 28, 2022, at 4:00 p.m.

Meeting Materials:

- Agenda
- Meeting Minutes from the Trust's March 3, 2022 meeting
- Project update: Status of Active Commitments
- Community Development Department Memo, March 24, 2022: Homeownership Program Review Process
- Powerpoint Slide Deck, March 24: Affordable Homeownership Program Review
- Community Development Department Memo, March 24, 2022: Jefferson Park Federal – Final AHO Advisory Design Consultation Report
- Planning Board Memo, March 9, 2022: Final Report of Affordable Housing Overlay (AHO) Design Consultation Procedure Compliance Certification
- Community Development Department Memo, March 24, 2022: 35 Cherry Street
- City of Cambridge Recommendation, Report and Disposition Order for 35 Cherry Street

Cambridge Affordable Housing Trust

April 28, 2022

Status of Active Commitments

	Active Projects	Sponsor	Rental Units	Ownership Units	Status	Total Cost	Trust Commitment	Loan Amount Per Unit	Trust Approval Date
1.	HomeBridge program	CDD	currently approved buyers:	6	82 scattered site units purchased by first time buyers to-date. Program expansion up to 120% AMI now active. 1 unit closed March; 1 unit under agreement.	N/A	\$18,200,000	1-br: 40% sale 2-br: 45% sale 3-br: 50% sale	May 2011
2.	Homeownership Resale Program	CDD	currently active units:	20	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers.	N/A	\$7,500,000		December 2011
3.	Vail Court (139 Bishop Allen)	TBD	TBD	TBD	Trust and City hosted public meeting in 2017 to hear from the community on affordable housing needs and ideas for the redevelopment of Vail Court. Additional public meetings will be scheduled but are currently on hold pending the legal action taken by former owner.	TBD	TBD	TBD	N/A
5.	2072 Mass. Ave.	Capstone Hope	TBD	TBD	Capstone/Hope purchased site in April 2018 and sought a comprehensive permit to enable the construction of a new 48 unit affordable housing building but withdrew their request at the September 2021 BZA hearing; they remain committed to creating affordable housing at this site and are assessing next steps and options.	TBD	\$5,071,000	TBD	February 2018 and June 2021
6.	52 New Street	JAS	107		JAS purchased the site in early 2020 and is permitting the project through the Affordable Housing Overlay. After JAS held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 10/16/21, and again on 1/4/22. A final Planning Board report has since been issued. The Trust increased its predevelopment loan for the project in January 2022. Meanwhile, JAS is assembling the final pieces of funding needed to begin construction.	TBD	\$18,025,390	\$168,462	October 2019, June 2021, January 2022
7.	Park View Coop (24-26 Corporal McTernan Street)	Park View Coop		12	Funds committed May 2021; Preparing to close on funding commitment	TBD	\$4,199,215	\$349,935	March 2019 and May 2021
8.	Fresh Pond Apartments (362 and 364 Rindge Ave)	Schochet	504		In March 2020, the Trust committed funding for the preservation of Fresh Pond Apartments. This commitment was combined with \$15 million in City funding which was appropriated by the Council. After many months of preparation, the Fresh Pond Apartments funding closed on October 6, 2021 and a new 50 year affordable restriction was recorded. The owner has been working with the CHA, City and tenants to certify tenant incomes in advance of beginning the new program on April 1, 2022.	\$34,533,179	\$34,533,179	\$68,518	March 2020
9.	Rindge Commons - Phase 1 (site of 402 Rindge Ave)	JAS	24		In June 2020, the Trust approved funding for the first phase of Rindge Commons. Following PB hearing in early August, BZA voted to approve a comprehensive permit for the project on August 23, 2020. JAS is preparing to close on construction financing for Phase 1, in May 2022.	TBD	\$4,250,000	\$177,083	June 2020
10.	Broadway Park (240 Broadway)	JAS		15	In March 2021, the Trust approved funding to create 15 affordable homeownership units. JAS has had several community meetings to review its proposal and expects to seek a comprehensive permit for this development. JAS also will be seeking to assemble remaining funding needed for this development.	TBD	\$3,600,000	\$240,000	March 2021
11.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19; 21-42; 109-124; 1000 Jackson Place)	CHA	278		In September 2021, the Trust approved funding to assist with the comprehensive modernization of Jefferson Park Federal. After the CHA held 3 AHO community meetings, the proposal was reviewed by the Planning Board at the two advisory design review meetings required by the AHO, first on 11/9/21, and again on 2/15/22. A final Planning Board report has since been issued. The CHA is now in the process of assembling the remaining financing needed, with a goal of beginning construction before the end of 2022.	TBD	\$43,611,615	\$156,876	September 2021
12.	35 Harvey Street	HRI / Cascap	12		In November 2021, the Trust approved funding to assist with the renovation and reconfiguration of Harvey Street from SROs to studio apartments. HRI is in the process of assembling the remaining financing needed, with a goal of beginning construction later this year.	TBD	\$2,917,664	\$243,139	November 2021
13.	1627 Mass. Ave.	HRI	TBD	TBD	In January 2022, the Trust approved funding to assist with the purchase of this property from Lesley University to create affordable housing. Planning for site acquisition underway.	TBD	TBD	TBD	January 2022
14.	35 Cherry Street	TBD	TBD	TBD	In March 2022, the City Council approved the disposition of this property to the Trust to initiate the creation of affordable homeownership housing. Transfer from MIT complete, planning for RFP to select affordable housing developer process underway.	TBD	TBD	TBD	March 2022

Total Units 978

Cambridge Affordable Housing Trust

Status of Affordable Housing Overlay (AHO) Developments

	AHO Development	Developer	AHO Status & Activity	Rental Units	Ownership Units	Development Status
1.	52 New Street	Just-A-Start Corporation	AHO Community meetings held on 2/25/21, 3/25/21, and 4/15/21. Planning Board design consultation held on 10/26/21 and 1/4/22. Design consultation completed January 2022; Final Planning Board report issued 1/20/22 and was transmitted to the Trust in its 1/27/22 briefing materials.	107		Design Consultation Complete; see above.
2.	Jefferson Park Federal (45-60; 61-75; 77-92; 93-108; Jackson Circle; 1; 2-19; 21-42; 109-124; 1000 Jackson Place)	Cambridge Housing Authority	AHO Community meetings held on 3/2/21, 4/1/21, and 10/19/21. Planning Board design consultation held 11/9/21 and 2/15/22. Final Planning Board report issued 3/9/22 and is being transmitted to the Trust in its 3/24/22 briefing materials.	278		Design Consultation Complete; see above.
3.	Walden Square II (102 Sherman Street)	WinnDevelopment Companies	AHO Community meetings held on 3/23/21, 4/13/21 and 5/27/21. Submission for first Planning Board advisory design consultation was withdrawn by developer on 11/16/21. Design revised based on community comments. Community meeting held 2/23/22.	~102		Original submission withdrawn; community meetings underway.
4.	49 6th Street	POAH & Urban Spaces	AHO Community meetings held on 7/27/21 and 11/3/21. Frst Planning Board advisory design consultation meeting held 4/5/22.	~46		Design Consultation underway

5.	116 Norfolk Street	Cambridge Housing Authority	First AHO community meeting held 2/10/22. Second community meeting scheduled for 4/26/22.	~62		Community meetings underway.
----	------------------------------------	-----------------------------	---	-----	--	------------------------------

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. Construction is complete. Homebuyer applications for units are under review and lotteries to be scheduled.		4	Ordinance prior to revision
2.	St. James (1991 & 2013 Mass. Ave.)	Oak Tree	Converted to ownership. Construction is complete. Homebuyer applications for units are under review and lotteries to be scheduled.		5	Ordinance prior to revision
3.	95 Fawcett Street	Ed Doherty	Ownership Covenant Recorded 12/29/2016. Covenant Amended to Rental recorded 12/27/2021. Tenant selection underway.	5		Ordinance prior to revision
4.	Alexandria - 50 Rogers Street/Prism	Alexandria/Owner Amico	Covenant Recorded 6/4/19. Complete. Tenant selection nearing completion.	44		Zoning for Alexandria PUD
5.	Charles & Hurley Streets	Urban Spaces	Covenant recorded 8/6/19. Building Permit issued 9-3-19(Charles Street) and 12-23-19 (Hurley Street) Construction complete. Tenant selection is beginning.	16		Ordinance prior to revision
6.	50 Cambridgepark Drive	Hanover	Covenant recorded 8/6/19. Building Permit issued 12-5-19. Under Construction. Completion expected in spring.	55		Revised ordinance at 20% sf requirement
7.	165 Main Street	Mitimco	IHP Covenant recorded 12/17/19. Building Permit issued 12-20-19. Under Construction. Completion expected in May. Tenant selection beginning.	63		Zoning for MIT
8.	95-99 Elmwood	95-99 Realty	Covenant recorded. Building Permit issued 7-2-20. Under construction.		4	Ordinance prior to revision
9.	Cambridge Crossing, Building I	DivcoWest	Covenant recorded; Building Permit issued 8-24-20 Under construction. Completion expected fall 2022.	54		Ordinance prior to revision
10.	212 Hampshire Street	212 Hampshire LLC, Binoj Pradhan	Covenant recorded. Construction complete. Tenant selection underway	1		BZA requirement of affordable unit
11.	55 Wheeler Street	Toll Brothers	Covenant recorded 3/12/21. Building Permit issued 3/16/21. Under Construction. Completion of first phase of units expected in late 2022.	99		Revised ordinance at 20% sf requirement
12.	40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded. Building Permit issued. Under construction	48		All units are affordable
13.	605 Concord Ave.	Abodez Acorn	Covenant recorded; Building Permit issued 12/9/21	7		Revised ordinance at 15% sf requirement
14.	3-5 Linnaean	Willow Land Corp.	Covenant recorded; Building Permit issued.	1		Zoning for basement housing overlay

Under Development:	393	13
Completed Units:	886	202
All Units:	1279	215
	<hr/>	
	1494	

	Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1.	1043-1059 Cambridge St.	418 Real Estate	IHP plan was submitted. Property sold. Special Permit Amended. Covenant in signature process		3	Revised ordinance at 20% sf requirement
2.	600 Massachusetts Ave.	418 Real Estate	IHP plan was submitted and under review	8		Revised ordinance at 20% sf requirement



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: Cambridge Affordable Housing Trust
From: Chris Cotter, Housing Director
Cassie Arnaud, Senior Housing Planner
Date: April 24, 2022
Re: Conversion of 49 6th St/Sacred Heart by POAH

Over the last year, Preservation of Affordable Housing (POAH), a Boston-based non-profit and Urban Spaces, a private housing developer, have been working on plans to convert of a portion of the Sacred Heart Archdiocese property in East Cambridge to affordable housing. While the team is not yet ready to submit a formal request for Trust funding, their plans for 49 Sixth Street continue to progress well and they anticipate submitting a formal request for Trust funding in the coming weeks. We have been working with POAH as the team has developed its plan, held several community meetings, and recently began the advisory design review process with the Planning Board under the Affordable Housing Overlay. In advance of bringing a formal funding request to the Trust at an upcoming meeting, we thought it would be helpful to provide an overview of the project.

Project Overview:

The Sacred Heart property consists of a school building, convent, rectory, chapel, and church facility. The current development plan involves creating 47 new affordable rental units in the school, rectory, and convent buildings, while the church and chapel would continue to be used by the Archdiocese. The project is being permitted under the Affordable Housing Overlay.

Over the last few months, POAH has made significant progress advancing their design and has been able to address the unit mix and other questions we reviewed with them.

Unit Mix and Unit Sizes

One of the biggest concerns we raised with their initial plan was the proposed unit mix which included a large number of studio apartments. In response, POAH has updated its plans to eliminate all of the studios and has increased the number of family-sized units. Their current plans would create 46 new units, including 14 one-bedroom, 20 two-bedroom, 11 three-bedroom and 1 4-bedroom units.

Concerns were also raised regarding the size of the family-sized units. In response, POAH worked closely with their architect and historical consultant to update the interior plans to ensure the livability of all of the units, including improved and increased common space in the family-sized units in order to accommodate the needs of larger households.

The following table provides a summary of the updated unit mix:

Bedrooms	# Units	% of Total	Average Size
Studios	0	-	-
1BRs	14	30.4%	630 sf
2BRs	20	43.5%	900 sf
3BRs	11	23.9%	1080 sf
4BR+	1	2.8%	1500 sf
Total	46	100.00%	

In order to retain the unit count and increase individual unit sizes, the plans rely on the use of the lowest levels of the school and convent buildings, portions of which are below-grade. However, unlike standard basement units which often have low floor to ceiling spans, small windows, and extra vulnerability to flooding, the proposed below-grade “garden level” space at 49 Sixth is only slightly below street level and would take advantage of existing large, historic windows and good ceiling heights. In terms of flood mitigation, POAH has worked closely with the City’s Department of Public Works (DPW) to ensure that any below-grade living space is protected to the City’s high standards of flood risk prevention. At present, plans call for a series of mitigation measures which DPW has deemed sufficient to address predicted flood risk.

Funding Sources and Anticipated Trust Request

Initially, POAH proposed that funding sources for 49 Sixth Street would be limited to 4% housing tax credit equity, Federal and state historic tax credit equity, private debt, and Trust funding in order to avoid having to wait for competitive soft funding from DHCD. However, POAH has since agreed to change their approach understanding that the Trust expects developers to include state soft funds among their funding sources in order to balance the need for local funding. This policy is particularly meaningful at a time when there are other large new construction projects in the pipeline, each of which requires substantial funding from the Trust.

POAH is in the process of refining their financing plan for 49 Sixth Street. While their initial budget showed higher than typical costs per unit, Staff have worked with POAH to identify places where costs could be reduced. Their most recent budget, as submitted to the Planning Board in their AHO package, assumed a substantially lower total development cost (TDC) of approximately \$29.7 million or just under \$650,000 per unit. The budget also assumed a Trust request of \$7,750,000 or \$168,478 per unit.

We understand that costs may have shifted upwards in the intervening time period and are awaiting a revised budget. However, a Trust request in the range of \$7,750,000, as initially

anticipated, would be in line with, and in some cases below, other recent new construction projects as shown below:

- 52 New Street: \$168,513 per unit (new construction)
- SquirrelWood: \$173,087 (new construction)
- Rindge Commons: \$177,083 per unit (new construction)
- Frost Terrace: \$269,634 per unit (historic renovation + new construction)
- Finch Cambridge: \$273,552 per unit (new construction)

(Note that Frost Terrace and Finch Cambridge pre-dated a regulatory change which enables 4% tax credit projects to capture a larger amount tax credit equity, thereby requiring less subsidy funding).

Staff will continue to work with POAH as they refine their anticipated sources and uses. Staff have discussed the 49 Sixth Street proposal with the Project Review Committee. The Project Review Committee for 49 Sixth Street has consisted of the following Trust members: Peter Daly, Susan Schlesinger, Jim Stockard, and Bill Tibbs.

Next Steps

As noted, POAH is in the process of revising their financing plan for 49 Sixth Street and we anticipate that they will be submit a revised budget and funding request in the coming weeks. In the meantime, they will continue the AHO permitting process after having hosted two AHO community meetings in 2021 and beginning the Planning Board advisory design review earlier this month. They are now awaiting the issuance of the Planning Board's initial design recommendations in advance of bringing the proposal back to the Planning Board for its second advisory design review.