

CAMBRIDGE AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
September 26, 2024 at 4:00 p.m.

Conducted via Zoom and in person (City Hall, Ackermann Room)

Trustees Present in Person: Yi-An Huang, Chair; Teresa Cardosi, Elaine DeRosa, Raffi Freeman, Krissandra Robinson, Jim Stockard

Trustees Present via Zoom: Alyson Stein, Elaine Thorne

Trustees Absent: Susan Schlesinger

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

Others Present: City Councilor Sumbul Siddiqui, Federico Muchnik, Mary Jane Kornacki, William Kennerly, James Mahoney, Jean Hannon, Sue Reinhart, Yohanna Reid, Sara Barcan, Eleni Macrakis, Chris Sower, Fran Cronin, Gleb Bahmutov, James Wilberforce, William Betsch, Brusa Lusa, Katrin Peterson

The meeting was called to order at 4:00 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust is being held in a hybrid fashion pursuant to applicable requirements, that all votes would be taken by roll call. He then confirmed via roll call that each remote participant could hear the meeting and was audible to others.

#### **MEETING MINUTES**

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Ms. Schlesinger), it was voted to approve the minutes for the meeting of August 1, 2024.

#### **HOUSING DEPARTMENT UPDATE**

**HomeBridge Program:** There are 10 active buyers in this program looking for a home. There were 3 houses purchased this month and one under agreement.

**Corcoran Park:** The Cambridge Housing Authority (CHA) plans to redevelop this CHA property under the Affordable Housing Overlay (AHO). They have begun to meet with residents and neighbors, in advance of beginning the formal AHO community process later this year.

**Park View Coop:** Renovations at this site were completed in August.

**Jefferson Park Federal:** Construction on the site is underway. A groundbreaking event is scheduled for October 2<sup>nd</sup>.

**35 Harvey Street:** Renovations at this site were completed in August. Homeowners Rehab Inc. (HRI) is working on scheduling a ribbon cutting event.

**16-18 Wendell Street:** The CHA is working on making upgrades to the interior and is preparing for initial occupancy in the coming months.

**28-30 Wendell:** Staff are in discussions with HRI on the development program for these combined sites. HRI has been exploring different programming options, including a scenario with a senior housing component. In addition to providing housing for senior low-income residents, the inclusion of a senior component could enable HRI to seek a greater amount of state funding and would also result in lower per-unit costs as there would be a greater number of one-bedroom units.

**2072 Massachusetts Avenue:** The Capstone/Hope development team is preparing to restart its plans to redevelopment 2072 Mass Ave as affordable housing under the AHO. They will be holding their first AHO community meeting on this project on October 9<sup>th</sup>.

Mr. Freeman asked if there is a funding request coming for 2072 Massachusetts Avenue. Mr. Cotter responded that staff anticipate a funding request at some point in the future, but the amount and timing of the request will not be known until plans for the project are further developed.

**Walden Square II:** Winn Development has been working with City staff to respond to comments and recommendations included in the Planning Board's final advisory design review report, specifically around trees and circulation. They are also working to secure the remaining financing needed to begin construction. Staff are working to bring an update to the Trust at an upcoming meeting.

## **OTHER UPDATES**

**Incentive Zoning:** The Trust received contribution of more than \$13 million in Incentive Zoning and other funds from the development at 40 Thorndike Street.

**40 Thorndike Street and 55 Wheeler:** Leasing at these buildings will begin soon.

**City Funded Vouchers:** Discussions on city-funded vouchers are ongoing. The Housing Committee is expected to meet again in October to continue conversations.

**Multi-Family Zoning:** The proposed Multi-family Zoning petition was on the City Council agenda on September 23<sup>rd</sup>. The City Council will continue discussion of this at their next meeting.

**Community Preservation Act:** The City Council has approved an 80% allocation to the Affordable Housing Trust on September 23<sup>rd</sup>.

## **NEW BUSINESS**

## HomeBridge Program Funding Request

Mr. Cotter presented a funding request of \$10,000,000 to recapitalize the HomeBridge program, which provides financial assistance for eligible applicants to purchase homes on the open market. In exchange for this assistance, buyers sign an Affordable Housing Covenant and purchased homes become part of the City's permanently affordable stock. This year, the program has received more applications than the Homeownership Resale Program. This has also been one of the most successful years for buyers. The program's 100<sup>th</sup> unit is currently under agreement.

This funding amount is projected to last up to two years, serving an estimated 16 to 20 buyers. Lower interest rates may make more inventory available, or could make the market more competitive, so it is challenging to predict how quickly the funds will be used.

In response to a question regarding why HomeBridge has become so popular, Mr. Cotter responded that it is likely because of the policy changes that the Trust approved of last year to increase the percentage of the market price paid with HomeBridge subsidy. Ms. Dolmatch added that the Resale Pool is a bit slow, so people are moving towards the HomeBridge program. She also applauded Ms. Finley for her work on HomeBridge. Ms. Finley added that HomeBridge gives people the option to select their home on the market, which appeals to some buyers.

In response to a question regarding whether \$10 million will be the requested amount every time the program needs to be replenished, Mr. Cotter answered that it is hard to know what will happen to the housing market and interest rates in two years, and that staff tend to make requests that will fund the program for 1-2 years based on current demand.

In response to a question regarding the status of the resale formula change, Mr. Cotter answered that staff are in the process of implementing the changes. Owners who are now selling are given the option to use the new resale formula. Mr. Stockard followed up by asking if this would incentivize more people to sell. Staff responded that it is difficult to tell. The biggest factor for families who might sell is where they will move to next. Ms. Dolmatch added that staff surveyed homeowners in recent years on this topic, and the result was that it would not largely impact people's decision-making. Most people who wanted to sell are already selling.

In response to a question regarding if HomeBridge units were equipped with accessible equipment, Mr. Cotter responded that these are units purchased on the market, so the available units do not typically come with those features, but owners can add them after purchase.

Ms. DeRosa commented that this program is great for allowing families to purchase larger units and stay in the City, stabilizing the family's housing and making the unit permanently affordable.

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Ms. Schlesinger), it was:

VOTED: to approve the Trust funding request of up to \$10,000,000 to fund the HomeBridge program, all as further described in the meeting materials.

## **HomeBridge Program Proposed Standards**

Mr. Cotter also presented to the Trust proposed HomeBridge unit standards. The guidelines were developed from staff's experience reviewing new HomeBridge units. HomeBridge buyers sometimes pursue units that may not be an advisable investment of public funds. The proposed standards allow some flexibility through the possibility of specific waivers for some requirements. Mr. Cotter shared that staff are working on proposed draft language to provide options for de-leading compliance which is required for all family-sized units. It can sometimes be a challenge for buyers to get access to testing and de-leading prior to purchase. Staff may bring a draft de-leading proposal to a future meeting.

In response to a question regarding how new these standards are, Mr. Cotter answered that the standards are guidelines that staff have used for some time. Ms. Dolmatch added that the terms and conditions from the Trust state that a unit must be in good condition without more specifics. This document provides better guidance that can be shared externally so that applicants are aware of what conditions need to be met in order to get HomeBridge funding. Ms. Thorne commented that these standards are a great educational guide for homeowners since many of them don't know how much maintenance is needed for a home.

In response to a question clarifying the language restricting purchasing a multi-family, Mr. Cotter stated that HomeBridge buyers can purchase a unit in a multi-family building, but not a multi-unit property. Ms. DeRosa asked for clarity on what homes sold in a non-arm's length transaction meant. Ms. Dolmatch replied that it could be a sale within a family or between buyer and seller with some relationship. This policy is meant to prevent those cases while allowing flexibility.

Chair Huang asked for clarity on the equity return is for HomeBridge. Staff responded that the equity formula is the same as for other homeownership programs. The formula will be changing to the new 2.5% annual increase when the new formula is fully implemented.

Trustees and staff discussed the demographics data available on participants in this program. Staff informed the Trust that up until recent years, applications to access housing did not include demographic-identifying questions. Applications now include questions on race and ethnicity. Staff also informed the Trust that the vast majority of applicants are Cambridge residents. HomeBridge is open to Cambridge-based workers, and a small number have purchased homes.

In response to a question on why the guidelines include a prohibition on purchasing in condominiums with less than 50% owner-occupancy. Staff responded that lenders do not typically agree to lend in buildings with less than majority owner-occupancy. Staff noted that exceptions for this guideline may be made, most likely for smaller buildings like triple-deckers.

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Ms. Schlesinger), it was:

VOTED: to adopt the HomeBridge Unit Standards as submitted.

## **Rindge Commons South Funding Request**

Mr. Cotter presented a funding request from Just A Start (JAS) for up to \$9,051,615 to assist in the construction of 77 new affordable rental units at Rindge Commons South, the second phase in their Rindge Commons project. The Trust committed over \$3.7 million to the first phase, Rindge Commons North, which completed construction in June 2024 and is now fully occupied. The 77 new units will be primarily family-sized, consisting of 16 one-bedroom, 39 two-bedrooms, and 22 three-bedrooms units. This second phase will also increase open space and parking. This project was approved through a comprehensive permit in 2020.

JAS anticipates that the total development cost will be approximately \$56,649,163. In addition to the Trust request, the budget will be supported by \$9.9 million in permanent debt, \$26.5 million in federal 4% tax credit equity, \$3.8 million in state low-income housing tax credit, \$5.6 million in other state soft funding, and \$1.0 million in deferred developer fee. JAS is requesting that up to \$750,000 be made available for predevelopment activities.

Trustees commended JAS for the work they have done on the site, especially with the classroom space and the moving of JAS offices to a central location. Mr. Freeman asked if the projected hard costs price is normal. Ms. Arnaud responded that the project hard costs are in line with other comparable developments.

Upon a motion moved, seconded, and approved by roll call of seven in favor, one abstains (Mr. Stockard), and one absent (Ms. Schlesinger), it was:

VOTED: to approve the Trust funding request of up to \$9,051,615 from JAS for Rindge Commons South, all as further described in the meeting materials.

#### **MOVE TO EXECUTIVE SESSION**

Mr. Cotter indicated that the next items for discussion before the Trust pertained to details regarding the potential acquisition of real estate. Due to the sensitive information to be discussed, continuing in open session might have a detrimental effect on the negotiations. At 4:58 PM, Mr. Cotter entertained a motion to go into Executive Session to discuss this matter and indicated that the Trust would adjourn at the conclusion of the Executive Session.

Upon a motion moved, seconded, and approved by roll call of eight in favor and one absent (Ms. Schlesinger), it was:

VOTED: for the meeting to go into Executive Session.

Mr. Cotter noted that the Trust would not reconvene in open session.

The next meeting is scheduled for October 24, 2024 at 4:00 p.m.

#### **Meeting Materials:**

- Agenda
- Minutes from the Trust's August 1, 2024 meeting

- Project Update
- HomeBridge Funding Request and Unit Standards Memo 9.26.2024
- HomeBridge Unit Condition Standards – draft memo 9.26.2024
- Rindge Commons South Funding Request 9.26.2024

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