

CITY OF CAMBRIDGE

Housing Department

Christopher Cotter
Director of Housing

Affordable Housing Trust

September 26, 2024, 4:00 p.m.

Ackermann Room, City Hall, 795 Massachusetts Avenue
Cambridge, Massachusetts

OR

[Webinar Registration - Zoom](#)

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

AGENDA

1. Review of Meeting Minutes
2. Update from the Housing Department
3. HomeBridge Funding: request from the Housing Department for \$10,000,000 to recapitalize the HomeBridge program;
4. Rindge Commons South – 432 Rindge Avenue: request from Just A Start for \$9,051,615 to assist in the construction of 77 affordable rental units;
5. Move to Enter Executive Session:
 - The acquisition and value of real property will be discussed in executive session as discussing it in open session could have a detrimental effect on negotiations;
 - all votes will be taken by roll call; and,
 - the Trust will not reconvene in open session.
 - Executive Session Discussion:
 - A Request from Just A Start for Funding for Acquisition of New Property;
 - A Request from Capstone Communities and Hope Real Estate Enterprises for Funding for Acquisition of New Property;
6. Adjournment

Members of the public can provide written comments to the Affordable Housing Trust by email sent to affordablehousingtrustcomment@cambridgema.gov, or by delivery to the Housing Department, by 5:00 p.m. the day before the meeting.

CAMBRIDGE AFFORDABLE HOUSING TRUST
MEETING MINUTES
August 1, 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, Raffi Freeman

Trustees Present via Zoom: Alyson Stein, Jim Stockard, Susan Schlesinger

Trustees Absent: Krissandra Robinson, Elaine DeRosa, Elaine Thorne

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

Others Present: Sue Reinert, Madeline Lee, Andarge Nuguse, Kent He, J. Hannon, Federico Muchnik, Noah Sawyer, Matthew Robayna, Patrick Hayes, Helen Walker, James Williamson, Miriam Reid, Heather Hoffman

The meeting was called to order at 4:27 p.m. Mr. Cotter explained that this meeting of the Affordable Housing Trust was delayed due to technical issues and would be 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.

Prior to starting the meeting, in response to a request from the public to have introductions, staff and the Trust introduced themselves.

MEETING MINUTES

Upon a motion moved and seconded, by roll call of six in favor and three absent (Ms. Robinson, Ms. DeRosa, and Ms. Thorne), it was voted to approve the minutes for the meeting of June 25, 2024.

HOUSING DEPARTMENT UPDATE

Jefferson Park Federal: Construction closing of JP Federal completed in July 2024 and construction on the site has begun.

Rindge Commons: Rindge Commons is now fully occupied. Staff are reviewing a funding request for the second phase of this project.

35 Harvey Street: Renovations are expected to wrap up by the end of August.

16-18 Wendell Street: The Cambridge Housing Authority (CHA) purchased 16-18 Wendell at the beginning of July using Trust funding. The CHA will be making modest upgrades to the interior before leasing up the property as permanent supportive housing.

OTHER UPDATES:

Incentive Zoning: The Trust received a \$2.8 million contribution in incentive zoning funds from the development on Smith Place.

Multi-Family Zoning: The Housing Committee held a meeting on multi-family zoning on July 17th where staff talked about the zoning framework and received public comments on the approach. The next meeting is scheduled for August 21st.

Public Comment

Mr. Cotter noted the many written public comments received regarding Walden Square II development and recommended that the Trust open the meeting to public comment with several attendees wanting to provide comments as well. In response to a question regarding how long the public had to provide comments, it was agreed upon that people would have two minutes to speak.

Upon a motion moved, seconded, and approved by roll call six in favor and three absent (Ms. Robinson, Ms. DeRosa, and Ms. Thorne), it was:

VOTED: to open the meeting to Public Comment.

Eve Sullivan commented that she provided public feedback electronically to the Trust.

Federico Muchnik commented that there are technical questions regarding Walden Square that need to be resolved. He advised Winn to reconsider the design and to look at the third design that he proposed as an alternative.

James Williamson thanked the Trust for allowing people to provide public comments. He is not in favor of the proposed Walden Square plans. He spoke to people in the existing Walden Square apartments, who he notes are also not in favor. He believes this plan will have a negative impact on the community and open space.

Heather Hoffman commented that the community was lied to about the Affordable Housing Overlay (AHO). She states that the community was lied to because the Trust is supposed vet projects for the community has not done so in the case of Walden Square.

Upon a motion moved, seconded, and approved by roll call six in favor and three absent (Ms. Robinson, Ms. DeRosa, and Ms. Thorne), it was:

VOTED: to close Public Comment.

NEW BUSINESS

Walden Square II AHO Planning Board Report

Mr. Cotter informed the Trust that Winn Development's Walden Square II development has completed the AHO advisory design review process. The Planning Board issued its final AHO advisory design report on July 22nd after the second of two required advisory design consultations was held on July 2nd. The Board noted positive changes in the façade of both proposed buildings but agreed that the project could benefit from continued design consultation with CDD and other City staff, specifically around circulation, façade, landscaping, and bicycle parking. Mr. Cotter said that staff would be working with Winn to respond to the design comments outlined in the report and recommended that the Trust postpone its acceptance of the report as staff works with Winn to address these concerns. Staff can then update the Trust with information about Winn's responses to the comments in the Board's final report. One condition of the Trust's funding commitment for this development is the Trust's review and acceptance of the AHO final design report.

Trustees expressed concern over delaying the project. In response to a question regarding what impact of having a delay would be, staff responded that it depends on how quickly Winn is able to respond to the comments. Staff noted that Winn has expressed its desire to be as responsive as possible, so the Trust could see changes as early as the September meeting, but it could also be later in the fall. It is possible that Winn will change their plans as they work on addressing the concerns around circulation, façade, and open space. Ms. Cardosi commented that she was concerned about Winn potentially losing funding due to delays, to which Mr. Cotter responded that delays would also add to costs and uncertainty.

Ms. Schlesinger commented that she listened to the Planning Board meeting and read everything about the project. She recommended that Winn should focus on the Planning Board suggestions, and that additional mature trees and what to do about the private driveway should be explored. She noted that when the project first came to the Trust in 2022, the Trust asked for Winn to make a range of changes, including increasing the number of family-sized units, which they did, before the project was put on pause due to the concerns about Winn's management. Winn worked to address those concerns, and the Trust was willing to consider the funding request when they heard of positive changes to the management. It was noted that the Councillor Siddiqui attended the last Trust meeting and confirmed that things were improved at Walden Square I. Ms. Schlesinger emphasized the need to keep this project moving while also making the designs right.

Mr. Stockard agreed with Ms. Schlesinger's comments. He said he thought that the Trust should wait for Winn's response to the Planning Board report before accepting the report as that is the most appropriate thing to do in this situation. Chair Huang added that there has been a lot of public feedback, which is part of how the AHO process works.

The Planning Board Design Review Final Report on Walden Square II will be held until further changes are made; no vote was taken.

49 6th Street Funding Request

Mr. Cotter presented a funding request from the Preservation of Affordable Housing (POAH) for an additional \$500,000 to assist in the construction of 46 new affordable rental units at 49 6th Street in East Cambridge. The Trust committed \$10,750,000 to POAH in March 2024, with the understanding that that was the last major piece of funding needed to move the development forward. However, limitations with bond volume caps at the state level has required a different approach to fund this development. In response to the changing funding environment, POAH worked on finding a new solution to allow them to close and begin construction by the end of this year.

The new plan is that the \$16,624,666 in 4% Federal LIHTC will be replaced by approximately \$5 million in 9% Federal LIHTC and \$10.1 million in State LIHTC. POAH has also been able to increase their permanent debt by approximately \$1 million based on updated rents for project-based vouchers and MRVPs. An additional \$500,000 request from the Trust would bring the total Trust commitment to \$11,250,000 or \$244,565 per unit.

Ms. Schlesinger commented that POAH has been creative with switching their funding given the challenges with funding at the state.

Upon a motion moved, seconded, and approved by roll call of six in favor and three absent (Ms. Robinson, Ms. DeRosa, and Ms. Thorne), it was:

VOTED: to approve the Trust funding request of up to \$500,000 from POAH for 49 6th Street and to convert the \$10,750,000 already committed in short-term funding to a single permanent loan of \$11,250,000 at construction closing, all as further described in the meeting materials.

28-30 Wendell Street Funding Commitments

Mr. Cotter presented a request to the Trust to authorize Homeowners Rehab Inc. (HRI) to use its remaining predevelopment funds from 30 Wendell Street for 28 Wendell Street. In August 2023, the Trust approved up to \$5,700,000 for the acquisition of 30 Wendell Street by HRI, as well as \$657,000 in predevelopment funds for this development.

Since then, HRI purchased the adjacent property at 28 Wendell Street and plans on combining the two properties into one Affordable Housing Overlay project. HRI has already drawn on predevelopment funding for early development costs related to 30 Wendell Street and would like the remaining funds to be available for predevelopment work related to the combined 28 and 30 Wendell Street development.

Upon a motion moved, seconded, and approved by roll call of six in favor and three absent (Ms. Robinson, Ms. DeRosa, and Ms. Thorne), it was:

VOTED: to authorize HRI to use 30 Wendell Street predevelopment funds for predevelopment work related to 28 Wendell Street.

35 Cherry Street Preliminary Designs

Mr. Cotter updated the Trust on the status of the development of 35 Cherry Street. JAS's preliminary proposal has three three-story buildings with a total of ten family-sized homeownership units. Units include three two-bedroom duplexes; three two-bedroom flats, and four three-bedroom flats. The design has minimal shared systems to simplify long-term maintenance for owners.

Ms. Dolmatch added that the preliminary designs have been shared at JAS's last AHO community meeting. The next AHO meeting is August 21st. JAS will also be meeting with CDD staff to discuss the designs, so this will not be the last time that Trust will see and comment on the designs. The proposed units will meet the Homeownership Livability Standards included in the RFP that came out of a two-year community process.

In response to a question by Mr. Freeman regarding whether the project could be bigger, Ms. Dolmatch said that the community created the guidelines which envisioned a smaller building. Additionally, JAS will have to adhere to stormwater management requirements, which will also impact the height of the building.

Ms. Schlesinger commented that she preferred the scheme with no parking space and more open space. She asked if there was a way to define the private open space and to clarify the pathways.

Housing and Finance Committee Joint Session

Mr. Cotter provided a summary of the Housing and Finance Committee Joint Session that was held on July 10th. At the joint committee meeting, CDD staff presented a summary of the Cambridge Affordable Housing Trust, its history, and its work to date. Mr. Cotter informed the Trust that staff did not complete the presentation as the Chair wanted to open the session to public comment, which went until the end of the scheduled session. The meeting was recessed, with its continuation yet to be scheduled.

Mr. Stockard commented that the materials for the Council were excellent. He expressed gratefulness for the work that staff do and commented that additional administrative work may hinder staff's ability to do the main work. He advocated for a way to be more transparent while not adding more work.

Mr. Freeman agreed with Mr. Stockard's comments and noted how many projects are in the pipeline. He suggested creating a public database that would explain what the Trust has been working on for the last five years, as opposed to making long, written reports. Staff responded that Councillors have asked for an annual report, so staff are discussing what would go in that report and how to package it in an accessible way.

Ms. Schlesinger expressed support for an annual report and that staff should create a template. Creating more frequent reports may not be as helpful as some projects move slowly and may not show significant progress over a short period of time.

Chair Huang commended the work that staff and the Trust have done, especially within the last few years as more funding, thus more projects, has become available. Development work can be complex,

but he commented that the presentation slide with the graphic showing the funding sources and uses was very helpful to him. He acknowledged that there is a need to showcase the projects and their moving pieces.

ADJOURNMENT

Upon a motion moved and seconded, by roll call of six in favor and three absent (Ms. Robinson, Ms. DeRosa, and Ms. Thorne), it was voted to adjourn the meeting.

The meeting adjourned at 5:22 p.m.

The next meeting is scheduled for September 26, 2024 at 4:00 p.m.

Meeting Materials:

- Agenda
- Minutes from the Trust's June 26, 2024 meeting
- Project Update
- Walden Square II – Planning Board AHO Design Review Report Memo – 8.1.2024
- Walden Square II – Planning Board AHO Design Review Report – 7.22.2024
- 49 6th Street – Additional Funding Request Memo 8.1.2024
- 28-30 Wendell Street Loan Term Update Request Memo 8.1.2024
- 35 Cherry Street – Preliminary Designs Memo 8.1.2024
- 35 Cherry Street AHO Community Meeting Presentation with preliminary designs 6.26.2024
- Housing and Finance Committee Presentation 7.10.2024

Cambridge Affordable Housing Trust

September 26, 2024

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	<i>currently approved buyers:</i>	10	97 scattered site units purchased by first time buyers to-date. Trust approved expanded subsidy share in August 2023. Online application now available. Three units closed this month and four under agreement.	N/A	\$24,200,000	1-br: 50% sale 2-br: 60% sale 3-br: 65% sale	several, including most recent: February 2023
2.	Homeownership Resale Program	CDD	<i>currently active units:</i>	19	Re-purchase, rehab and re-sale of affordable homeownership units to new homebuyers. One unit under agreement.	N/A	\$10,000,000		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
4.	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. AHO community process to begin October 2024.	TBD	\$5,071,000	TBD	February 2018 and June 2021
5.	52 New Street	JAS	106		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 on 10/16/21 and 1/4/22 and a final Planning Board report has been issued. Construction closing completed in December 2023; construction underway. Groundbreaking event 5/28/24.	TBD	\$18,025,390	\$170,051	October 2019, June 2021, and January 2022
6.	Park View Coop (24-26 Corporal McTernan Street)	Park View Coop		12	Funds committed May 2021; closing completed October 2022; renovations completed in July 2024, final landscaping underway.	\$4,986,321	\$4,199,215	\$349,935	March 2019 and May 2021
7.	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. Project received a comprehensive permit in August 2020 and began construction in June 2022. The CAHT loan at closing was \$3,706,358 or \$154,444 per unit. This is a \$543,342 reduction from the original loan commitment. Construction complete; building occupied.	\$17,307,771	\$4,250,000	\$177,083	June 2020
8.	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 with the intention of seeking 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
9.	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 completed a 'dry closing' in late December 2023, in preparation of the full construction closing to occur in 2024. Demolition complete; site work underway. Construction closing completed July 2024. Under construction.	TBD	\$43,611,615	\$156,876	September 2021
10.	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 closed on funding in November 2023. Renovations completed in August 2024.	TBD	\$3,339,437	\$243,139	November 2021
11.	4 Mellen / 1627 Mass. Ave.	HRI	29		In January 2022, the Trust approved funding to assist with the purchase of this property from Lesley University to create affordable housing. The Trust approved additional predevelopment funding in August 2022. HRI acquired the site in August 2022 and held first AHO Community meeting on 9/15/22. Second community meeting held 3/15/22. Advisory design consultation with Planning Board held 7/18/23 and 12/5/23. Planning Board final design report issued on 12/20/23. State funding approved June 2024.	TBD	\$10,425,000	TBD	January 2022, August 2022, and January 2024
12.	116 Norfolk Street	CHA	62		In August 2022, the Trust approved funding to assist in the renovation and expansion of an existing 38-unit SRO to create 62 studio apartments for individuals moving beyond homelessness. CHA completed AHO advisory design review in late 2022 and closed on funding in December 2022; construction is underway to be completed in early 2025.	TBD	\$10,161,150	\$163,890	August 2022
13.	35 Cherry Street	JAS		TBD	In March 2022, City Council approved the disposition of this property to the Trust for creation of affordable homeownership housing. Transfer from MIT complete. After RFP, Just A Start selected as developer at its October 2023 Trust meeting. AHO Community meetings held 5/15/24, 6/26/24, and 8/21/24. JAS preparing for Planning Board AHO submission.	TBD	\$300,000	TBD	March 2022 and May 2024
14.	49 Sixth Street	POAH	46		In October 2022, the Trust approved funding to assist in the conversion of a portion of the Sacred Heart church property to affordable housing. POAH has completed the AHO process. POAH is assembling remaining financing in advance of beginning construction in 2024. Increase of Trust funds request approved 3/6/24; increase of Trust funds approved at August 1 meeting.	TBD	\$11,250,000	\$244,565	October 2022, March 2024, and August 2024
15.	37 Brookline Street	JAS	TBD		JAS acquired the site in July 2023 and held an initial community meeting on 4/25/24 and will be scheduling additional community meetings to discuss design and development plans for the site. AHO community meetings held 7/10/24 and 9/11/24.	TBD	\$2,064,000	TBD	March 2023
16.	650 Concord Ave	Neville Communities Inc (NCI)	71		In May 2023, the Trust approved funding to assist with capital repairs at Neville Place, the affordable assisted living portion of its campus. Staff are working with NCI on due diligence items in advance of closing, including the forming of a working committee to review tenant selection procedures. Increase of Trust funds request approved 3/28/24.	\$2,445,000	\$5,670,500	\$34,437	May 2023
17.	28-30 Wendell Street	HRI	TBD		HRI completed the acquisition of 30 Wendell Street from Lesley University on 11/30/23. First AHO meeting held 2/14/24 and hosted a Balden neighborhood walking tour with neighbors in April 2024. First AHO community meeting for combined sites held 6/20/24. Reviewing HRI development concept.	TBD	\$16,657,000	TBD	August 2023 and March 2024
18.	87-101 Blanchard Rd	B'nai B'rith	110		In March 2024, the Trust approved \$18,169,120 in funding to BBH for the new construction of 110 affordable rental units for seniors. BBH plans to permit the site under the AHO. First AHO PB meeting held in January 2024; Second AHO PB advisory design meeting 6/4/24.	TBD	\$18,169,120	\$34,437	August 2023 and March 2024

19.	16-18 Wendell Street	CHA	22		Trust approved funding for CHA to purchase an existing 24-room dormitory to convert to new permanent supportive housing; property acquired 7/2/24. CHA preparing for initial occupancy in the coming months.	\$8,609,800	\$4,950,000	\$225,000	April 2024
20.	102 Sherman St/Walden Square Apartments II	Winn	95		Trust approved funding for the construction of two new buildings containing 95 affordable rental units on a portion of the existing Walden Sq I site; Winn completed the AHO community process in Fall 2023 and presented the proposed to the Planning Board at the two advisory design review meetings on 3/12/24 and 7/2/24. A final Planning Board report has been issued and is included in the Trust August 1 briefing materials; staff working with Winn in response to PB AHO Final Report.	\$80,413,447	\$18,750,000	\$197,368	April 2024

Total Units 911

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 on 1/27/22. Construction closing occurred on 12/29/23.	106		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 transmitted to the Trust on 3/24/22. Construction loan closing underway.	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 meetings held 2/23/22, 8/29/23 (rescheduled from 8/1/23) and 9/14/23. Planning Board advisory design meetings held 3/12/24 and 7/2/24. Final Planning Board report issued 7/24/23 transmitted to the Trust on 8/1/24.	95		Original submission withdrawn; AHO community meetings complete; preparing to begin Design Consultation process complete.
4. 49 6th Street	POAH & Urban Spaces	AHO Community meetings held on 7/27/21 and 11/3/21. First Planning Board advisory design consultation meeting held 4/5/22. Second design consultation meeting was held on 6/28/22; Planning Board report issued 7/14/22 and transmitted to the Trust on 8/4/2022. Assembling remaining funding needed to begin construction.	46		Design Consultation Complete; see above
5. 116 Norfolk Street	Cambridge Housing Authority	First AHO community meeting held 2/10/22. Second community meeting held 4/26/22. First Planning Board advisory design consultation meeting was held on 7/5/22. Second advisory design consultation held 9/13/22. Planning Board report issued on 10/28/22 and transmitted to the Trust on 11/17/22. Closed 12/2022; under construction.	62		Design Consultation Complete; see above
6. 1627 Mass. Ave./4 Mellen	Homeowner's Rehab Inc	First AHO community meeting held 9/15/22. Second community held 3/15/23. First advisory design consultation with Planning Board held 7/18/23, second design consultation held 12/5/23. Final Planning Board report issued 12/20/23 and transmitted to the Trust on 1/25/2024. Assembling remaining funding needed to begin construction.	29		Design Consultation Complete; see above
7. 87-101 Blanchard Road	B'nai Brith Housing	AHO community meetings held 10/4/23 and 11/10/23. First Planning Board advisory design meeting held 1/23/24 and 6/4/24. Final Planning Board report issued 6/18/23 and transmitted to the Trust on 6/27/2024.	110		Design Consultation Complete; see above
8. 28-30 Wendell Street	Homeowner's Rehab Inc	First AHO community meeting held 2/14/24. HRI restarted the AHO community meeting to include 28 Wendell Street. The first combined community meeting was held 6/20/24.	TBD		AHO community meetings underway.
9. 35 Cherry Street	Just-A-Start Corporation	AHO community meetings held 5/15/24, 6/26/24, and 8/21/24.	TBD		AHO community meetings complete; design consultation process in progress.
10. 37 Brookline Street	Just-A-Start Corporation	AHO community meetings held 7/24/24 and 9/11/24.	TBD		AHO community meetings complete; design consultation process in progress.
11. Corcoran Park	Cambridge Housing Authority	First AHO community meeting to be held on 10/9/24.	TBD		AHO community meetings in progress.
11. 2072 Massachusetts Avenue	Capstone Communities	First AHO community meeting to be scheduled October 2024.	TBD		AHO community meetings to begin late 2024.

Status of Active Inclusionary Housing Developments

Approved Active Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
1. 55 Wheeler Street	Toil Brothers	Covenant recorded 3/12/21. Building Permit issued 3/16/21. Under Construction. First phase complete. Residents moving in; tenant selection continuing.	99		Revised ordinance at 20% sf requirement
2. 40 Thorndike Street, Court House	Leggat/McCall	Covenant recorded. Building Permit issued. Preparing for tenant selection.	48		All units are affordable
3. 605 Concord Ave.	Abodez Acorn	Covenant recorded; Building Permit issued 12/9/21. Under Construction.	7		Revised ordinance at 15% sf requirement
4. 1043-1059 Cambridge St.	418 Real Estate	Covenant recorded. Construction complete. All buyers identified, one unit closed.		3	Revised ordinance at 20% sf requirement
5. 121 Broadway	Boston Properties (BXP)	Covenant recorded 12/28/23. Building permit issued 3/21/24.	102		MXD zoning - 20% Inclusionary + 5% Middle-Income
6. 8 Winter Street	DND Homes	Covenant recorded 7/18/2024. Pending building permit.		3	Revised ordinance at 20% of requirement.

Under Development:

256

6

Completed Units:

1125

215

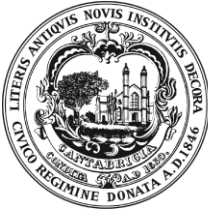
All Units:

1381

221

1602

Active Pipeline Projects	Developer	Status	Rental Units	Ownership Units	Applicable zoning
Subsidy amount needed to create Affordable Dwelling Unit Net Floor Area for Inclusionary Housing not created pursuant to Section 11.203.3 (i):			\$450 / per square foot		



CITY OF CAMBRIDGE

Housing Department

Christopher Cotter
Director of Housing

MEMORANDUM

To: Affordable Housing Trust
From: Chris Cotter, Housing Director
Anna Dolmatch, Senior Manager for Homeownership
Date: September 26, 2024
RE: Recapitalization of HomeBridge Program Funds and Proposed Unit Standards

The HomeBridge program 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.

Demand for HomeBridge continues to increase. This year, for the first time, HomeBridge received more applications than the Homeownership Resale Pool. In November 2023, the Trust approved changes to increase the share of the market purchase price eligible to be funded by HomeBridge subsidy. Since then, ten units have been purchased or are now under agreement, including six three-bedroom homes. This is the most successful year for HomeBridge buyers since 2006. One of the units currently under agreement will be the 100th unit purchased using Trust funding offered through HomeBridge or its predecessor program.

The result of more demand and more successful buyers is that all program funds are currently allocated for purchases, with additional approved buyers looking on the market. We are requesting an additional \$10,000,000 in CPA funds to continue to serve households up to 100% of AMI.

Since 2006, HomeBridge has received \$21,200,000 in CPA funds. In 2020, the Trust allocated an additional \$3,000,000 from City budget funds to expand HomeBridge to serve households between 100% and 120% AMI. While we continue to see steady demand for the higher-income funds, most buyers are under 100% AMI. We have sufficient funding for approximately two more buyers in the higher-income tier. We would like to continue to offer HomeBridge to this income range and expect to request additional funds for that tier in 2025.

The funds for the under-100% AMI tier are fully committed to units now under agreement, with an additional \$3,000,000 in approvals for buyers who have not yet found a unit to purchase. There are an additional 15 applicants in review or awaiting a funding commitment.

We are requesting a recapitalization of \$10,000,000. If recent success with larger units continues, these funds will serve an estimated 16 to 20 buyers.

The amount of HomeBridge funding each buyer receives is based on a range of factors including the unit price; buyer income; mortgage interest rate; and downpayment. In the past year, the average subsidy for a purchase has increased to more than \$575,000 per unit. This is due to an increase in successful three-bedroom purchases; increased market prices; and the increased subsidy percentages.

Many applicants who receive a HomeBridge approval do not end up purchasing homes. Some cannot find a unit that meets their needs; others decide to purchase in a different community without a restriction, while others end up purchasing a lower-cost unit through the Resale Pool or a lottery. We do not expect that the current approved and pipeline applicants will use the total funds being requested. Once a HomeBridge commitment expires without a purchase, the funds become available for another applicant.

Based on the most recent years, we project that a recapitalization of \$10,000,000 will last one to two years. Lower interest rates may increase activity as more homes become available; lower rates may also decrease the subsidy amounts as buyers are required to provide additional mortgage financing to qualify. We will continue to provide the Trust with regular HomeBridge updates to best manage anticipated funding needs and continue to update program design to ensure HomeBridge continues to further the Trust's and City's housing goals.

Recommendation: Staff recommends that the Trust approve the request for an additional \$10,000,000 in CPA funds for the HomeBridge program serving buyers between 60% and 100% of AMI.

HomeBridge Unit Standards

We are also requesting that the Trust consider and approve the attached proposed HomeBridge Unit Standards. With the increase in HomeBridge production, we have developed written HomeBridge unit guidelines. In this competitive market, buyers and their realtors will frequently pursue units that may not be an appropriate investment of public funds for a range of reasons, including poor condition, condo building problems, features that will make the unit hard to sell to other buyers, or issues such as being in a flood zone.

HomeBridge has always had a requirement that units be in good condition and acceptable to the Housing Department. These guidelines were developed from our experience reviewing many proposed units and from later work with HomeBridge units at resale. We intend for these more formal guidelines to assist staff, HomeBridge buyers, and realtors by providing with clear policies that can be communicated at the time a HomeBridge approval is issued. We want to ensure that the significant amount of public subsidy required to purchase a HomeBridge unit is invested wisely.

The attached guidelines include guidelines on a range of areas, including the following:

- Unit types
- Minimum unit size
- Bedroom size and features
- Resiliency, including guidance on flood zones and below-grade space
- Details on unit condition requirements
- Deleading policy

The proposed standards include options for Housing Department staff to approve units that do not meet all standards. This allows flexibility while still providing strong guidance to buyers and ensures that time and resources are not spent pursuing units that will not be a beneficial addition to the affordable stock.

The standards also include a draft deleading policy to address one of the challenges we see most frequently for the purchase of family-sized units. Many available units in the HomeBridge price range are in older buildings. These units are more likely to have lead paint hazards. Units that have previously been deleadened may test positive due to deterioration of encapsulation measures over time.

The proposed deleading policy allows buyers with older children to defer deleading if they agree to cover the costs when they sell. This will not remove all barriers created by the deleading requirement, as it still requires sellers to allow testing, which they are not required to do. Deleading compliance also requires some condominium common areas to be deleadened, which is often a significant barrier, and could require legal action to enforce compliance. Under the proposed policy, buildings where it could be challenging to bring common areas into compliance will not be eligible for deferred deleading compliance.

Recommendation: Staff recommends that the Trust adopt the HomeBridge Unit Standards.

DRAFT

HomeBridge Unit Standards 9.2024

These standards have been developed to make clear the criteria Housing Department staff use to review and approve the use of HomeBridge funding to purchase property as affordable housing in Cambridge.

1. Unit must be a single-family home or condominium.
 - a. There is no maximum or minimum number of units allowed in a condominium development, however, if a unit is in a two-unit condominium association, condominium documents must demonstrate that no assessments, changes to documents, or other decisions impacting the value of the HomeBridge unit can be made without the consent of the owner of the HomeBridge unit.
 - b. HomeBridge may not be used to purchase the following:
 - i. Multi-family homes;
 - ii. Shares of housing cooperatives;
 - iii. Partial interest in a property;
 - iv. Any property that already has an affordability restriction, whether held by the City or another entity;
 - v. Homes sold in a non-arm's length transaction without a waiver. Waivers may be given at the Housing Department's sole discretion. Minimum requirements for a waiver include:
 1. A current appraisal is provided supporting proposed purchase price;
 2. The buyer receives no financial benefit from the sale;
 3. The seller will not occupy the unit after sale unless approved by the Housing Department
 - c. Condominiums in buildings with active litigation, less than 50% owner-occupancy, large pending assessments, significant deferred maintenance, or known condition issues may not be approved;
 - d. To approve a potential purchase using HomeBridge, CDD staff must be provided with the full home inspection report for review and have an opportunity to inspect the unit in person;
 - e. Requirements include but are not limited to:
 - i. No studio units without a waiver;
 1. Waivers may be given if a studio meets the following criteria:
 - a. Functionally a one-bedroom, i.e. separate living and sleeping spaces;
 - b. Meets minimum one-bedroom size requirement;
 - c. Unit is in superior condition and/or has other compensating factors such as size, location, amenities;
 - d. Waiver is solely at Housing Department discretion and is in addition to any waivers needed under Section g. below;
 - ii. No units smaller than the following:
 1. One Bedroom – 500 square feet;
 2. Two Bedroom – 800 square feet;
 3. Three bedroom – 1100 square feet;

4. There is no requirement for the lot or building size, just the unit floor area;
 - iii. No units with all or a significant portion of living space below-grade, even if such space meets code and is legal living space;
 - iv. No units fully or partially in a zone with a flood risk greater than Zone X or requiring flood insurance for the building.
 - v. No units with more than 50% of the condominium unit located within another municipality or where owners do not qualify to attend Cambridge schools or vote in Cambridge elections.
- f. Bedrooms must meet the following requirements, in addition to all code standards for a legal bedroom under the State Sanitary Code:
- i. No bedroom smaller than 80 square feet;
 - ii. Bedrooms without a closet must be at least 90 square feet;
 - iii. Bedroom occupancy must contain a minimum of 100 square feet for two-person occupancy;
 - iv. No bedroom with an external door unless that door opens to an enclosed, secure exterior space;
 - v. Bedroom must have at least one exterior operable window;
- g. Other than f(v) above, a waiver may be granted for any or all the above requirements in e. and f. with approval by the Housing Director or designee;
- i. Waivers will only be granted for units that have compensating factors. Examples of compensating factors include but are not limited to:
 1. Large floor area for unit size
 2. Superior unit condition
 3. Location with few affordable homeownership options
 4. Special amenities, e.g. private outdoor space
- h. A unit that may be converted to a larger bedroom size may be approved for purchase at the program price limit for the larger unit size if the following conditions are met:
- i. Creation of additional bedroom(s) will not detract from the livability or future marketability of the unit in the sole discretion of the Housing Department, including but not limited to:
 1. Any conversion will not eliminate or significantly impact unit living space, including conversion of a dining room to a bedroom;
 2. The new bedroom will meet the bedroom requirements above.
 - ii. Written conversion plans are submitted and approved;
 - iii. A signed contract for the work is submitted and approved;
 - iv. Costs for conversion are reasonable and are borne by either:
 1. The seller or;
 2. The buyer, with no eligibility for capital improvement reimbursement at the time of sale;
 - v. All work will be completed prior to disbursement of the HomeBridge award. Work is subject to inspection by Housing Department staff;

- i. All units with two or more bedrooms must be documented to be free of lead hazards prior to purchase through by providing one of the following:
 - i. Documentation that unit is in a building first constructed after 1978, or;
 - ii. Current lead test showing no lead hazards present as defined in the Massachusetts lead law, or;
 - iii. Letter of full deleading compliance documenting that all lead hazards in unit and any required common area have been remediated.
- j. Property must be in good condition in the sole judgement of Housing Department staff, based on review of a professional home inspection and inspection by Housing Department staff. "Good condition" includes but is not limited to the following:
 - i. All appliances must be in good working condition or replaced prior to sale as documented in a Purchase and Sale Agreement;
 - ii. Plumbing and electrical must not require any immediate repair;
 - iii. No structural issues;
 - iv. Heating, cooling and hot water systems are functional but may be fully depreciated based on standard useful life;
 - v. Flooring must not be significantly damaged or require immediate replacement;
 - vi. Other fixtures, including kitchen cabinets and countertops, toilets, bathtubs, and vanities, must not be damaged beyond normal wear and tear;
 - vii. Ceilings and walls must not have significant holes or cracks;
 - viii. Units must not show evidence of ongoing water penetration or leaks, including water in the basement without a moisture management system in place;
 - ix. In addition to the deleading requirements in section i. above, units must have no outstanding environmental hazards including but not limited to asbestos, mold, pests, or radon without a remediation and/or management plan at the seller's expense as evidenced in the signed Purchase and Sale Agreement.



CITY OF CAMBRIDGE

Housing Department

Christopher Cotter
Director of Housing

MEMORANDUM

To: Affordable Housing Trust
From: Cassie Arnaud, Senior Manager for Housing Development
Christine Yu, Associate Housing Development Planner
Date: September 26, 2024
Re: Rindge Commons South - Phase II at 432 Rindge Avenue – Request for Predevelopment and Permanent Funding

Just A Start (JAS) is requesting up to \$9,051,615 in CAHT funding to support the construction of Phase II of their Rindge Commons infill project, which will be called Rindge Commons South. They are requesting that \$750,000 of this funding be advanced early as predevelopment funding.

Background

In September 2020, JAS received a comprehensive permit to enable the construction of two new affordable rental buildings on portions of the parking lot at their existing Rindge Tower Apartments development at 402 Rindge Avenue. The new Rindge Commons development is being built in two phases.

The first phase, Rindge Commons North, was completed in June 2024 and is now fully occupied. Located at 430 Rindge Avenue, Rindge Commons North consists of a six-story mixed-use building with 24 affordable rental units on the top three floors, and non-residential space on the bottom three floors for JAS's offices, JAS training and educational programs, and City-sponsored early childhood education classrooms. The unit mix at Rindge Commons North consists of 10 one-bedroom and 14 two-bedrooms apartments. The Trust provided \$3,706,658 (\$154,444 per unit) for this phase of the project.

The second phase, Rindge Commons South, will be built on the southern edge of the parcel at 432 Rindge Avenue. The Trust approved the concept of the second phase of the project when the Trust approved permanent funding for the first phase in June 2020. Rindge Commons South will be a new seven-story building containing 77 new affordable rental units, bringing the total number of new units on site to 101.

The 77 units in the second phase will primarily be family sized and will consist of 16 one-bedroom (21% of total), 39 two-bedrooms (51%), and 22 three-bedrooms (29%). All units at Rindge Commons South will be affordable to households earning up to 60% AMI, with ten of those units deeply affordable to households earning up to 30% AMI. Eight of the ten deeply affordable units will be supported by Project Based Vouchers (PBVs) and two will be supported by Community Based Housing funding (CBH), which is intended to support those with a permanent physical or psychiatric disability.

Unit Mix	1 Bedroom	2 Bedrooms	3 Bedrooms	Total Units
30% AMI - CBH	2	0	0	2
30% AMI - PBV	1	5	2	8
60% AMI	13	34	20	67
Total Units	16	39	22	77

Under the comprehensive permit, 210 parking spaces will be shared among Rindge Tower Apartments, Rindge Commons North, and Rindge Commons South buildings, including 51 car parking spots underneath Rindge Commons South. Additionally, JAS’s plans for the new building include 96 long-term bicycle parking spaces and 10 additional short-term bicycle parking spaces located on the ground floor underneath the building.

The second phase will also expand the existing open space by adding a playground between Rindge Tower Apartments and Rindge Commons South, as well as creating a private outdoor patio area on the second floor of Rindge Commons South for residents. Additional trees will be planted around the property and parking lot to create more shade. JAS is developing Rindge Commons South in compliance with Passive House and Cambridge Climate Vulnerability standards.

Budget/Funding Request

JAS estimates that the TDC for Rindge Commons South will be approximately \$56,649,163 or \$735,703 per unit. Much of the groundwork for underground systems has been completed during the first phase of this project, as well as the sidewalk and curbs cuts, which reduced some of the construction costs. Hard costs including contingency are budgeted at \$480.04 per square foot, which are in line with other recent comparable developments. Soft costs are estimated at \$105,832 per unit, which is similar to Rindge Common North’s soft costs. Budget cost estimates will be refined as designs are finalized.

For the operating budget, the project will benefit from some economies of scale as the three rental developments (Rindge Commons North, Rindge Commons South and Rindge Tower Apartments) will share some staffing and maintenance. Rindge Commons South’s operating cost per unit is budgeted at \$13,813. This is comparable to other recent development projects.

JAS’s request for \$9,051,615 in Trust funding is \$117,553 per unit. In addition to the requested Trust funding, the project is expected to be funded with approximately \$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 of the Trust funding be made available early for predevelopment activities. The proposed predevelopment budget is as follows:

Predevelopment Budget	
A&E	\$550,000
Survey/Permits	\$20,000
Clerk	\$30,000

Environmental	\$70,000
Legal	\$20,000
Title & Recording	\$5,000
Insurance	\$10,000
Appraisal/Market Study	\$15,000
Security	\$5,000
Financing Fees	\$15,000
Misc.	\$10,000
Total	\$750,000

NEXT STEPS AND PROJECT SCHEDULE:

JAS is preparing to submit a pre-application for state funding in October 2024, and hopes to submit a full application in the state’s Winter 2025 funding round. This would enable a construction start in late 2025 and occupancy in Fall 2027. A commitment of local funding is required for their pre-application.

RECOMMENDATION:

Rindge Commons South will create 77 much-needed, high-quality, family-sized affordable housing units in the Alewife neighborhood. It is located within walking distance to the Alewife train station, Danehy Park, Jerry’s Pond, Russell Field Athletic Complex, and retail amenities. Future residents will also have access to JAS’s career and educational programs, as well as the Pre-Kindergarten space at Rindge Commons North.

Housing staff recommend that the Trust approve JAS’s request for up to \$9,051,615 in Trust funding, as described in more detail above, to support the construction and predevelopment activities related to Rindge Commons South. In preparing this request and recommendation, staff reviewed JAS’s request with Susan Schlesinger, Alyson Stein, and Jim Stockard, who agreed with our recommendation to bring this request to the Trust and recommend approval.

The funding should be made contingent on standard Trust terms and conditions including, but not limited to, the following:

The closing and disbursement of up to \$750,000 in predevelopment funding shall be made contingent on the following:

1. Staff approval of predevelopment budget and scope of work;
2. Funds will be disbursed for approved predevelopment costs in accordance with Loan and Security Agreement to be entered into prior to closing;
3. Term shall be 36 months or until construction loan closing, whichever occurs sooner;
4. Interest shall accrue at a rate of 3% annually compounding;
5. All principal and interest shall be due at maturity; however, at construction closing, accrued interest shall either be waived or deferred, at staff discretion.

At or prior to full loan closing, the closing and disbursement of the remaining balance of

\$9,051,615 as permanent financing shall be made contingent on the following conditions:

1. Standard Trust terms and conditions, including:

- Staff approval of final design and development plan;
- Staff approval of the final development and operating budgets;
- Staff receipt and approval of final ground lease and condominium documents, if applicable;
- Zoning and permitting necessary to complete project;
- Environmental assessment and/or remediation plan, if required, acceptable to Staff;
- All units shall be subject to the Trust's affordable housing covenant to be signed at or prior to loan closing; the term of the affordable housing covenant shall be fifty (50) years or one year longer than the longest restriction on the property;
- All units shall be restricted to households earning at or below 80% of Area Median Income (AMI), as defined in the affordable housing covenant;
- The loan shall be secured as a second mortgage loan of up to \$9,051,615
- The loan shall have an interest rate of 3% compounding annually, or such other rate approved by staff at or prior to loan closing;
- The loan shall be subject to a penalty rate of 8% compounding applicable upon violation of the Trust affordability restriction;
- Loan proceeds will be disbursed in accordance with the Loan and Security Agreement to be entered into at or prior to loan closing;
- All principal and accrued interest shall be due and payable at the end of the term; however, the repayment date may be extended for an additional term upon approval by the Trust and extension of the affordability period;
- The loan documents shall provide for repayment of principal and interest from 50% of net cash flow from the development, or on such other terms acceptable to Housing staff;
- Loan shall be non-recourse;
- Any reductions in project costs or increases in non-Trust funding sources shall be used to reduce the amount of the Trust commitment to the project; and,
- Staff approval of the tenant selection and marketing plan, which shall be consistent with the City's marketing preferences including but not limited to maximum preferences for Cambridge residents.

While construction is underway, the Borrower shall comply with the following requirements:

- Notify Lender's Construction Manager of all construction meetings and copy on meeting minutes;
- Copy Lender on all change orders;
- Copy Lender on all funding requisitions to other sources; and,
- Submit requisitions in form acceptable to Lender.

Following lease-up, the Borrower shall comply with the following requirement:

- Provide demographic information on the race and ethnicity of applicants at initial marketing, initial lease up, initial occupancy, and on waitlists and ongoing occupancy over time, as requested and in a form acceptable to the Lender; such reporting requirements will be included in the tenant selection plan documentation approved by staff at or prior to Loan closing.