A

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

TO: Councillor Francis Duehay, Chair
Housing and Community Development Committee
Councillor Kathleen Born
Vice Mayor Sheila Russell

FROM: Robert W. Healy, City Manager
Susan B. Schlesinger, Assistant City Manager for Community Development

DATE: February 1, 1995

RE: List of Affordable Housing Developments

Please find attached a comprehensive list of affordable housing developments in the City of Cambridge. The list of developments includes rental properties, both CHA-owned and privately owned, homeownership projects, and special needs projects. A summary of affordable housing developments is as follows:

Type of Affordable Housing Development	**Number of Low/Mod** Units
Rental	
Affordable Rental	739
CHA	2,689
Expiring Use	1,764
Homeownership	274 **
Special Needs	333
Multifamily Rehab	376
Homeowner Improvement	1,400
	=====
TOTAL	7,575

** includes limited equity units only/not including other MHFA first-time homebuyer programs.

Approximately 12% of the total housing stock of the City is affordable to low and moderate income households. The City allocates over 60% of its federal Community Development Block Grant funds to affordable housing development.

Attachment

Name	Address	Year Developed	Low/Mod # Units	Program
Rental Projects:				
Affordable Rental				
Cast I	55-57 Columbia St.	1971	42	236 & Rental Sub.
Putnam Square	1 Putnam Square	1971	94	10c Leasing/MHFA
Inman Square Apts.	1233 Cambridge St.	1972	116	236/MHFA-HUD
Cast II	51-53 Columbia St.	1972	9	236 & Rental Sub.
Linwood Court	Corner of Broadway & Columbia	1977	45	Nonprofit Owned Rental
Close Building	243 Broadway	1977	61	Nonprofit Owned Rental
Ware Street	14 Ware St.	1981	1	CDBG/Nonprofit Rental
Chapman Arms	4 University Rd.	1986	50	MHFA-Harvard
61-67 Brookline	61-67 Brookline	1986	6	Nonprofit Rental
Church Corner	10 Magazine St.	1987	28	HODAG,MHFA
Cambridgeport Commons	20 Chestnut St.	1989	10	CHA
Kennedy Biscuit Lofts	129 Franklin St.	1990	68	MHFA
37 Howard	37 Howard St.	1990	3	Trust/Nonprofit Rental
Roberts Road	15 Roberts Road	1990	1	Trust/Nonprofit Rental
Portland/Marcella	6-8 Marcella St./391-393 Portland	1991	9	Trust/Nonprofit Rental
St. Patricks	Berkshire & York Sts.	1992	32	Trust/Nonprofit Rental
160 Richdale	160 Richdale Ave.	1993	7	Trust/Nonprofit Rental
901 Mass Ave	901 Massachusetts Ave.	1993	9	CDBG/Nonprofit Rental
Sciarappa	54-56 Sciarappa St.	1993	6	HOME/Nonprofit Rental
Allston Street	151-157 Allston St.	1994	6	Trust/Nonprofit Rental
Swartz Properties	6 Cambridgeport Properties	1995	59	Trust/HOME/Nonprofit Rental
Brookline St. Housing	Brookline and Pacific Streets	1996	77	Trust/Nonprofit Rental
Subtotal			739	
CHA Rental				
Newtowne Court	72 Windsor St.	1938	282	CHA/Fed. Family Housing
Washington Elms	131 Washington St.	1942	175	CHA/Fed. Family Housing
Woodrow Wilson Court	81 Magazine St.	1949	69	CHA/State Family Housing
Lincoln Way	159 Walden St.	1950	60	CHA/State Family Housing
Roosevelt Towers	Willow & Cambridge Sts.	1950	207	CHA/State Family Housing
Jackson Gardens	265 Harvard St.	1951	46	CHA/State Family Housing
Jefferson Pk. & Ext.	1 Jackson Pl.	1952	284	CHA/Fed. & State Family Hou
Putnam Gardens	64 Magee St.	1954	123	CHA/Fed. Family Housing
Corcoran Park	100 Thingvalla Ave.	1955	152	CHA/Fed. Family Housing
John F. Kennedy Apts.	55 Essex St.	1963	88	CHA/Fed. Elderly Housing
Harry S. Truman Apts.	25 Eighth St.	1970	67	CHA/Fed. Elderly Housing
Daniel F. Burns Apts.	30-50 Churchill Ave.	1973	199	CHA/Fed. Elderly Housing
Robert C. Weaver Apts.	81 Clifton St.	1973	20	CHA/Fed. Elderly Housing
Lyndon B. Johnson	150 Erie St.	1973	181	CHA/Fed. Elderly Housing
Valentine St.	19 Valentine St.	1974	6	CHA/Fed. Family Housing
Jackson St.	121 Jackson St.	1974	10	CHA/Fed. Family Housing
Millers River Apts.	15 Lambert St.	1974	304	CHA/Fed. Elderly Housing
Fairmont Village	6-8 Fairmont St.	1974	10	CHA/Fed. Family Housing
116 Norfolk St.	116 Norfolk St.	1975	39	CHA/State Elderly Housing C
Frank J. Manning Apts.	237 Franklin St.	1976	199	CHA/State Elderly Housing
Willow Street Homes	42-58 Willow St.	1976	15	CHA/State Family Housing
River-Howard Homes	8 Mildred Hamilton Pl.	1980	32	CHA/Fed. Family Housing
Linnaean St.	45 Linnaean St.	1981	24	CHA/State Elderly Housing
Putnam School Apts.	86 Otis St.	1983	33 *	CHA/State Elderly Housing
Leonard J. Russell Apts.	2050 Cambridge St.	1984	51	CHA/State Elderly Housing
Inman St. Apts.	15 Inman St.	1988	4	CHA/State Family Housing
Hingham St.	12-18 Hingham St.	1990	4	CHA/State Family Housing
St. Paul's Residence	34 Mt. Auburn St.	1993	2	CHA/State Family Units
226 Norfolk St.	222 Norfolk St.	1994	3	CHA/Fed. Family Housing
Subtotal			2689	
Expiring Use				
Rindge Towers I	360-364 Rindge Ave.	1970	506	221-03-2361
Briston Arms	247 Garden St.	1971	105	236/MHFA
929 Mass. Ave.	929 Mass. Ave.	1972	56	236/MHFA-HUD
808 Memorial Drive	808-812 Memorial Drive	1973	212	236/MHFA,CHA
Cambridge Court	411 Franklin St.	1973	123	236/MHFA-HUD
Rindge Towers II	402 Rindge Ave.	1973	274	221-03-2361
Huron Towers	700 Huron Avenue	1974	248	221-03-HUD
Walden Square	104 Sherman St.	1974	240	Section 236/HUD
Subtotal			1764	

City of Cambridge Projects 02/01/95

Name	Address	Year Developed	Low/Mod # Units	Program
Homeownership				
120-120 1/2 Pleasant St.	120-120 1/2 Pleasant St.	1974	6	CHA/Turnkey
12 Prince St.	12 Prince St.	1974	12	CHA/Turnkey
35-47 Lopez St.	35-47 Lopez St.	1974	12	CHA/Turnkey
Linden Park Homes	Cardinal Medeiros	1981	22	JAS/Homeownership
Harwell Homes	Cambridge & Columbia Sts.	1981	56	JAS/Homeownership
Mass. Ave.	2353 Mass. Ave.	1981	4	CHA/Condos
109-111 Hampshire	109-111 Hampshire	1981	1	HRI/Homeowership
Ware St.	14 Ware St.	1981	1	CHA/Condos
Concord Ave.	41 Concord Ave.	1982	1	CHA/Condos
Hampshire St.	244 Hampshire St.	1983	1	CHA/Condos
12-14 Marion	12-14 Marion	1983	2	JAS/Homeownership
Amory St.	87 Amory St.	1983	1	CHA/Condos
57-59 Porter	57-59 Porter	1984	2	JAS/Homeownership
Parkview Coop	24-26 Cpl. McTernan	1985	12	CDBG/Limited Equity Coop
Fogerty Building	184-188 Harvard St.	1986	17	CDBG/Limited Equity Coop
West Arms	280 Western Ave.	1987	6	CDBG/Limited Equity Coop
Spring Street Condos	17-27 Thorndike St.	1988	7	JAS Homeownership
Norfolk Coop	375-381 Norfolk St.	1988	6	CDBG/Limited Equity Coop
Hancock St.	88 Hancock St.	1988	2	CHA/Condos
Western Ave Condos	3 separate bldgs. on Western Ave.	1988	6	CDBG/Homeownership
10 Laurel	10 Laurel St.	1988	6	CDBG/Limited Equity Coop
Trowbridge St.	118 Trowbridge St.	1988	2	CHA/Condos
125 Portland St.	125 Portland St.	1989	8	HRI/Homeownership
Hayes Magee	32-44 Hayes St.	1989	6	CDBG/Homeownership
160 Chestnut St.	160 Chestnut St.	1989	6	Rental Rehab/Equity Coop
1-11 Hardwick	1-11 Hardwick	1989	3	JAS/Homeownership
230 Pearl	230 Pearl St.	1990	3	Trust/Homeownership
Music and Arts	218 Chestnut St.	1990	5	CDBG/Limited Equity Coop
November Collective	226 Chestnut St.	1990	5	CDBG/Limited Equity Coop
Columbia Townhouses	65-67 Columbia St.	1991	6	Trust/Homeownership
Fayerweather	95 Fayerweather St.	1991	3	CDBG/Homeownership
Cambridgeport Commons	20 Chestnut Street	1991	10	RCCC/Homeownership
Howard Lofts	Corner of Putnam & Pleasant	1994	4	HOME/Homeownership
Seventh	22-26 Seventh St.	1994	3	HOME/Homeownership
136-142 Berkshire	136-142 Berkshire	1994	2	JAS/Homeownership
Hampshire	96-98 Hampshire St.	1995	6	HOME/Homeownership
Norfolk	354 Norfolk	1995	1	HOME/Homeownership
Blouin	Corner of Hampshire & Columbia	1995	16	Trust/Homeownership
Fulkerson	17-19 Fulkerson	1995	2	HOME/Homeownership
Subtotal			274	
Special Needs				
30 Pearl	30 Pearl St.	1991	10	Trust/Special Needs
YWCA	7 Temple St.	1991	109	Trust/Special Needs
Putnam Place	260-264 Putnam Ave.	1991	12	Trust/Special Needs
Magazine House	77 Magazine St.	1992	10	Trust/Special Needs
Aberdeen House	100 Aberdeen	1993	8	CHA/CASCAP
71 Hammond	71 Hammond St.	1993	8	CHA/CASCAP
Green Street	205-207 Green St.	1993	11	Trust/Special Needs
St. Paul's Residence	34 Mt. Auburn St.	1993	19	CHA/State Elderly Units
YMCA	820 Massachusetts Ave.	1994	129	HOME Trust/Special Needs
Pine Street	109-111 Pine Street	1994	5	Trust/Special Needs
Chilton	65-67 Chilton St.	1994	5	Trust/Special Needs
Ruah	10 Russell St.	1994	7	Trust/Special Needs
Subtotal			333	
Multi-family Rehab	Units	1985-1994	376	
Home Improvement Program	Units	1985-1994	1400	
GRAND TOTAL			7575	

City of Cambridge Community Development Department Homeownership Programs

The City of Cambridge offers a number of programs to low and moderate income buyers. These include:

First Time Buyer Course

The Cambridge Community Development Department offers a series of first time buyer courses, free to any Cambridge resident. The regualr course is a series of two-hour classes which runs for four weeks, and covers issues ranging from legal aspects of buying a home to how to hire a home inspector. Participants receive certificates from the Massachusetts Housing Finance Agency, allowing them to take advantage of MHFA's special low-cost mortgage programs. Special classes are also scheduled periodically on credit improvement, buying multifamily homes, and buying formerly rent controlled units.

Upcoming classes include:

Special class for rent controlled tenants	February 27 6:30 - 8:30 March 2 6:30 - 8:30
Citywide Course	March 6 - 27 Monday evenings time to be confirmed
Special Neighborhood IV Course	Late March/Early April dates to be confirmed
Follow-up Credit Counselling	Late April/Early May dates to be confirmed

Child care and translation services are available on request. A special class on how to own and manage two- and three-family buildings is also being planned. The class is free to residents, but participants must register by calling Michelle Maher at 349-4600.

Affordable Mortgage Programs

Six area banks have set aside $7.5 million in funds for the Cambridge Soft Second Program, an innovative mortgage program, that can reduce a borrower's monthly costs by as much as $300 monthly. This is done by dividing the loan into two components: a conventional 30 year fixed rate loan (usually for 75% or less of the purchase price); and a subsidized second mortgage (interest-only for 10 years). The program also has a 5% downpayment requirement and more flexible underwriting than many conventional mortgage programs.

To get a fact sheet on the program, including a list of participating banks and current rates and terms, call Michelle Maher at 349-4600.

Graduates of Cambridge's first time buyer course are also eligible for reduced rate mortgages available through the Massachusetts Housing Finance Agency and participating banks.

Affordable Homeownership Units

In cooperation with local nonprofit housing developers, the City is developing over 25 affordable ownership units, ranging in price from $52,000 to $99,000. In addition, the City helps find buyers for deed-restricted affordable units upon resale.

Current projects under development include newly constructed townhouses and flats, rehabilitated townhouse units and a fully rehabbed single family home. These units are being developed by two local nonprofits: Homeowner's Rehab and Just A Start. All units have deed restrictions to ensure long term affordability.

These units are being marketed by Just A Start. Please call 494-0444 and ask for the first time buyer program to get information on how to apply.

Upcoming projects include:

Norfolk Street	1 single family	Application deadline February 3
Fulkerson Street	2 duplex units	Application deadline February 3
Hamphshire/Columbia	16 condo townhouse and flat units	Application deadline in June - call for details
Hampshire Homes	6 condominium townhouse units	Application deadline in June - call for details

Mailing List for Available Units

To stay informed about upcoming affordable units, please add your name to the City of Cambridge affordable housing mailing list, by calling Michelle Maher at 349-4600.

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To: Councillor Francis Duehay, Chair
Housing and Community Development Committee
Councillor Kathleen Born
Vice-Mayor Sheila Russell

From: Robert Healy, City Manager
Susan Schlesinger, Assistant City Manager for Community Development

Date: February 1, 1995

Re: Proposed Changes to HUD

Summary of Proposed Changes

On December 19th, President Clinton announced a planned overhaul of the federal Department of Housing and Urban Development. The proposed changes involve consolidating 60 separate programs to eight block grants in FY96 and then three block grants by FY98. The intent is to shift responsibility for planning and implementation of housing programs to local and state governments and reduce the HUD budget. Over the next several months, as the budget recommendations for HUD are finalized by Congress and as reauthorization legislation is filed, the proposal may change substantially.

The Administration will submit its budget proposal to Congress on or about February 6, 1995. At that point, several Committees in both the House and Senate will begin to review the proposal and draft the congressional budget proposal. The budget process will take up to six months, and needs to be complete by the October 1, 1995 of the FY96 fiscal year.

The three block grants proposed under HUD's "Reinvention Blueprint" are:

Housing Certificates and Vouchers - replacing all public housing development, operating and capital improvements, Section 8 certificates and vouchers, project-based assistance, expiring use programs and others. Cambridge currently has 2,744 units of federal public housing, 1,118 federal mobile Section 8 certificates and vouchers, and 307 units with federal project-based assistance (including Mod Rehab project-based units). Project-based assistance has been particularly important in Cambridge in anchoring specific affordable housing projects, and leveraging other subsidies. For example, projects such as the Cambridge YMCA, Ruah house for women with AIDS, and Putnam Place, all depend on project-based assistance to make units affordable. This block grant includes competitively funded programs such as Shelter Plus Care and McKinney Mod Rehab, under which Cambridge has received numerous funding allocations during the last three years. Also consolidated are current programs are renovations to public housing, including projects such as the Roosevelt Towers and Corcoran Park.

In addition, Cambridge has 1,600 units in seven "expiring use" projects -- privately developed projects that were developed with public subsidies.

Affordable Housing Fund - replacing all housing rehab, development and homeownership programs, including HOME, Youthbuild, Lead Paint Hazard Reduction, Section 202 housing for the Elderly, Section 811 housing for the disabled, and others. 60% is to be allocated to localities; 40% to states. Cambridge has been extremely successful at using the HOME entitlement program; as well as receiving competitive funding allocations such as Youthbuild ($1.0 million this year to support youth training associated with the development of affordable units at Hampshire Homes) and Lead Paint funds ($3.3 million last year to establish the Lead Safe Cambridge program).

Community Operating Fund - replacing Community Development Block Grants (CDBG) and all economic development programs. Cambridge currently uses some CDBG funds and Section 108 funds for economic development. Of this fund, 70% is to be allocated to localities; 30% to states.

Impact of Changes on the City of Cambridge

The most significant impact that HUD's proposal will have on Cambridge is that the City will almost certainly receive fewer funds for affordable housing development. Cambridge has been extremely successful at receiving funds via competitive funding rounds, and receives much more than its proportional share from HUD under current competitive programs, including HOME, Youthbuild, Shelter Plus Care, Lead Abatement, and McKinney Shelter Plus Care and Section 8 Mod Rehab funds. While it is not yet known what the proposed funding levels for the proposed block grants would be, it is virtually certain that there will be less funding available to Cambridge. In addition, current allocation formulas, which take into account statistics like age of the housing stock and number of households in poverty, are relatively favorable towards Cambridge. If these allocation formulas are changed, there may be further reductions.

Another critical change is the shift away from project-based subsidies. Rental subsidies tied to specific projects have been essential to attracting private financing to affordable housing projects. They have also ensured that Cambridge projects can serve very low income families. Eliminating project based subsidies will make it extremely difficult to leverage financing for affordable housing projects, and projects will require much larger capital subsidies to be feasible. The result is that each dollar will buy much less.

If existing projects lose their project-based subsidies, they may fail financially. Examples of existing projects that will be negatively affected are Church Corner, the Kennedy Biscuit Lofts, and a variety of City-sponsored developments including the Cambridge YMCA, Putnam Place, Brookline Street, the rehab of the Swartz properties, and several limited equity cooperatives.

On the positive side, the consolidation of programs is expected to give Cambridge much more flexibility in setting priorities for expending federal funds, and in the design and implementation of housing and economic development programs.

Impact of Changes on the Cambridge Housing Authority

Perhaps the most significant changes are those that impact federally funded public housing. As mentioned above, all federal public housing funds would be converted to tenant-based rental assistance and housing authorities would compete to attract tenants with mobile certificates.

The Housing Authority agrees that substantial de-regulation of well-run housing authorities like the CHA is long overdue and essential to positive change. However, it feels strongly that public housing funds should not be block granted to cities and states. Cambridge's current model of direct assistance to a housing authority which operates under a stable Board of Commissioners has proven to be extremely successful. The CHA believes that Cambridge is best served by having project based assistance to public housing continue, with improved asset management.

It funding were level, the Cambridge Housing Authority would be in a relatively strong position because it has attractive and well maintained developments. Based on experience, we expect that a large share of its tenants would choose to continue to rent from the Housing Authority, and the quality of the developments would allow vacant units to attract both subsidized and market rate tenants. However, since consolidation is likely to be accompanied by reductions in rent levels, it would be impossible over time for the Housing Authority to maintain the current high quality of its developments and still serve low income tenants.

A further problem is that tenant-based subsidies do not necessarily benefit tenants in an expensive rental market like Cambridge. If the assistance takes the form of a certificate (where the tenant pays 30% of household income and the certificate covers the balance to a fixed cap) and the cap is low, it is easy to imagine a situation where the housing available to tenants in the open market is concentrated in the least desirable neighborhoods and is in poor condition. If the assistance is structured as a voucher (where the voucher has a fixed value, and tenants must make up the difference), tenants would need to pay a substantial portion of their incomes in order to secure adequate housing.

This situation will be exacerbated if HUD's suggested drop of fair market rents from current federal "fair market rent" levels is implemented, and is further complicated by the phasing out of Cambridge's rent control system which offered an incentive to landlords to lease to Section 8 certificate holders. The ultimate effect is that residents with vouchers would find it virtually impossible to find decent apartments in Cambridge.

Initial Recommendations

Overall

- The consolidation of 60 programs into 3 block grants is unrealistic. A proposal which had approximately a dozen programs would achieve both manageability and the diversity needed to address the complexities of the housing market

Funding levels

- Overall funding for housing should not be reduced below its current level
- Allocation formulas should continue to be calculated on the basis of need
- There should be a "safe harbor" provision that ensures that overall funding levels to communities that have been active in affordable housing production will not be reduced from current levels

Project-based assistance

- Block grant assistance should permit project-based assistance
- Projects that currently have project-based assistance should be allowed to keep it in place

Expiring Use

- Aggressively reform the expiring use program, rather than repealing it
- "Grandfather" the pending sale to the residents of the expiring use project at 808 Memorial Drive by allowing the project to proceed under the current program rules
- Provide incentives to resident-controlled nonprofit organizations to purchase expiring use projects under a reformed program

Public Housing

- Well-run housing authorities should be de-regulated
- Public housing funds should not be block granted to states and cities
- Public housing assistance should continue to be project-based
- Overall subsidy levels should be maintained
- Fair market rent levels should not be reduced

City of Cambridge

The Housing and Community Development Committee held a public meeting on February 1, 1995, beginning at 5:07 p.m. in the Sullivan Chambers for the purpose of continuing to discuss affordable housing policy in Cambridge.

Present at the hearing were Councillor Francis H. Duehay, Chair of the Committee, Councillor Kathleen L. Born, Vice Mayor, Sheila T. Russell, Councillor Michael A. Sullivan, and City Clerk D. Margaret Drury. Also present were Robert W.Healy, City Manager, and Susan Schlesinger, Assistant City Manager for Community Development.

Councillor Duehay convened the hearing and explained the purpose. He requested that those present introduce themselves, and the following persons did so: Roger Herzog and Carole Marks, Community Development Department; Geneva Malenfant, Vice President Cambridge Civic Association; Peter Daly, Executive Director, Homeowners Rehab, Inc; Barbara Shaw, Just-A-Start; Inc; Terry Lurie and James Stockard, Cambridge Housing Authority.

Councillor Duehay said that the initial purpose, which was to discuss affordable housing in the aftermath of rent control has become even more urgent in light of recent events in Washington.

Councillor Duehay said that he would first request an update on the status of the Brookline Street housing development. He said that thereafter he would ask Susan Schlesinger and her staff to report on what affordable housing Cambridge has created.

Robert W. Healy stated that the Brookline Street negotiations had been concluded. There is now a agreement between Homeowner's Rehab and Forest Cities.

Peter Daly thanked Mr. Healy for his assistance, without which, he said, there would have been no agreement. Mr. Daly said that the last details have been settled with FANNIE MAE, and tomorrow the closing will be recorded.

Terry Lurie announced that the Cambridge Housing Authority took title of the Garfield Street lot today, after three years of negotiations with the MBTA. The site will be six to eight rental family units.

Councillor Duehay then requested a report from Susan Schlesinger on all affordable units. Ms. Schlesinger distributed a memorandum entitled "List of Affordable Housing Developments" (Attachment A) and summarized the information contained therein. She noted that information about first time homebuyers is not included because it is in the records of the non-profits.

Barbara Shaw, JAS, said that this information can be provided by the nonprofits from their records.

Councillor Duehay asked about the overall statistics for affordable housing. Ms. Schlesinger replied that overall, 12% of the total housing stock is considered affordable, by the census figures, and Cambridge ranks only next to Boston in percentage of affordable housing.

Jim Stockard said that only 20 or 30 cities within the state have more than 10% affordable housing.

Councillor Duehay stated that he would like a memo that describes these statistics and Cambridge's rating in more detail. In response to a question from Councillor Duehay as to why Brookline Street is included, Ms. Schlesinger explained that all projects currently under development are included.

Councillor Born questioned why expiring use units are included in light of their endangered status.

Susan Schlesinger then distributed a document entitled "Homeownership Programs" (Attachment B) and summarized the contents. She noted that upcoming classes for first time homebuyers include special classes for rent-controlled tenants.

Vice Mayor Russell asked how many tenants are signing up at Rent Control for protected tenant status.

Mr. Healy said that there has been a steady number. He believes that to date it is less than 1,000.

Councillor Duehay requested that someone from the Rent Control staff attend these meetings.

Susan Schlesinger described the soft second mortgage program. Vice Mayor Sheila T. Russell asked whether there are requirements that participants be Cambridge residents. Ms. Schlesinger explained that because the program consists of state money writing down bank interest rates, it is not legal to restrict it to Cambridge residents. However the marketing can and does target Cambridge residents.

Councillor Duehay asked if all Cambridge banks are participating.

Carole Marks, Community Development Department, stated that the participating banks are Cambridge Trust, Cambridge Savings, Cambridgeport, and East Cambridge Savings.

Susan Schlesinger described the income limit and noted that units that are eligible fall within price caps:

Condo's	$110.000
Single Family	140,000
Two Family	160.000

Councillor Born said that these price caps are not realistic for Cambridge.

Susan Schlesinger said that state programs almost always have caps on both income and unit cost. It is possible that this program will work for Condominiums in Cambridge, it is highly unlikely that it will assist with purchases of single family or two family houses.

Jim Stockard pointed out that it is not automatically possible for everyone to be a homeowner in Cambridge. It is a cruel hoax to lead a marginal homeowner into a marginal home. He emphasized the importance about being clear with residents about this message.

Geneva Malenfant, Henry Street, suggested the need for realtors to attend the meetings of this committee. Councillor Born suggested inviting a member of all major real estate firms. Jim Stockard suggested inviting John Culp, who is a long time Cambridge resident who used to work for the realtors. Susan Schlesinger suggested either having a meeting of all realtors or seeking to have one or two realtors consistently attend meetings of this committee.

Peter Daly noted the difficulty of trying to ascertain value at this time. He said that it will take a while for things to settle down enough to ascertain what prices should be.

Councillor Duehay said that it is important to decide in a deliberate way what steps to take, but at the same time it is important to publicize what Cambridge has done in the area of affordable housing and what is available as affordable housing.

In response to a question from Ms. Schlesinger about how these programs could be better publicized, Councillor Duehay suggested breakfasts to inform leaders and key people in the area of clergy, community services, people who give advice, like social workers and counselors, and the business community about these programs. He added that there should be a personal invitation from Robert W. Healy, City Manager.

Geneva Malenfant asked about current marketing practices at Cambridge Community Development, and Carole Marks described the program.

Susan Schlesinger then distributed a memo entitled "Proposed Changes to HUD" (Attachment C) and summarized the contents. The proposed changes include consolidating 60 separate programs to eight block grants in FY96 and then three block grants by FY 98. The intent is to shift responsibility for planning and implementation of housing programs to local and state governments and reduce the HUD budget. The three block grants would be housing certificates and vouchers, to replace all current public housing assistance, an affordable housing fund, and a community operating fund.

Jim Stockard explained the difference between "project-based" Section 8 certificates and non-project based certificates or vouchers, and the mathematical problems of the vouchers. He explained that under the new proposal, HUD will give a certificate for everyone who is in residence at housing authority buildings, but not for vacant units. As housing authorities get less money, they will be able to do less maintenance and the units will deteriorate and there will be more vacancies and less money to remedy problems and keep housing units in good shape and occupied. Councillor Duehay stressed the urgency of educating the public as to what the proposed changes will do to these housing programs. He noted that since affordable housing is not understood by citizens, it is easy to be destroyed quickly, and it won't be until three or four years later that people understand what they have lost.

Councillor Duehay asked Jim Stockard to assist with a brochure that will contain the kind of information that Jim just presented. Mr. Stockard agreed that there is a great need for specific information about the local danger. He said that a $5 million rescission bill on a HUD loan for expected funding next year is in the works on Congress. Rehab money at Corcoran Park and remaining rehab at Roosevelt Towers are on that list so their funding is in immediate jeopardy.

Jim Stockard agreed on the need for cities to start commentary at the plans for HUD. He also noted that Cambridge has done well in a competitive program because the City has innovative programs and will lose some of that advantage under a straight formula split.

Susan Schlesinger drew the Committee's attention to the initial recommendations regarding HUD. She stressed that consolidation of 60 programs into 3 block grant is unrealistic.

Councillor Duehay asked about the possibility of new state funds.

Ms. Schlesinger described the possibilities for state funds for Cambridge. There are neighborhood stabilization funds, $8 million over the next year for the whole state. Cambridge will apply for some of those funds. She described three state programs for which Cambridge will seek funds.

Councillor Duehay asked whether Senator Birmingham has been helpful in state applications and Susan Schlesinger stated that he has been very helpful.

Councillor Duehay proposed that the committee at its next meeting receive analysis of various options for additional City response.

Mr. Healy noted that importance of having good information about the federal programs, although analysis and public policy discussion could begin.

Susan Schlesinger stated that the Affordable Housing Trust would like to meet with this committee.

It was agreed that this meeting will take place on Tuesday February 28 at 3:00 p.m.

The meeting was adjourned at 6:23 p.m.

For the Committee

Francis H. Duehay

Councillor Francis H. Duehay, Chair

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COMMITTEE REPORTS S-71

Housing and Community Development Committee Report for a hearing held on February 1, 1995 to discuss affordable housing policy in Cambridge.

In City Council,

February 27, 1995

Report Accepted
Placed on file