

City of Cambridge

The Housing and Community Development Committee held a public hearing on May 10, 1995, beginning at 5:30 p.m. in the Sullivan Chamber for the purpose of receiving public comment on the report of the Committee entitled **"CITY HOME....A New Housing Program for the City of Cambridge."**

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

Councillor Duehay convened the hearing and explained the purpose. He explained the process through which the report was developed.

Councillor Duehay noted that the crisis regarding federal funding continues. The House and Senate are currently considering rescissions. The Senate version is better than the House version, but both endanger affordable housing in Cambridge. He urged people to call their Congressional representatives.

Councillor Duehay explained that the format of the hearing would be first a presentation from the Community Development Department and members of the Affordable Housing Trust. Councillor Duehay then introduced Susan Schlesinger, Assistant City Manager for Community Development.

Ms. Schlesinger explained the working of the Trust and then introduced Jim Stockard, of the Affordable Housing Trust.

Mr. Stockard, 141 Oxford Street, Affordable Housing Trust began with a update of the overall environment in which housing programs now must operate. In Cambridge rent control has ended. On the national scene, Congress is threatening to "take back" \$7.5 billion through rescissions. Massachusetts stands to lose \$700,000,000 of already appropriated federal funds. In Cambridge, Roosevelt Towers and Corcoran Park renovation projects are at risk. There is also substantial risk to the approximately 1600 "expiring use" projects. Thus there will be many fewer resources to deal with affordable housing. Jim Stockard said that at the same time the Department of Housing and Urban Development has proposed changes which are also problematic.

Mr. Stockard said that in his experience of the way communities are reacting to these changes, Cambridge is very much more advanced than any other community.

Mr. Peter Daly, Executive Director, Homeowners Rehab, Inc. and Cambridge Neighborhood Affordable Housing Services, 678 Mass. Avenue, discussed the initiatives in the City Home plan. He stressed the need for flexibility. He explained that there are three homeownership initiatives: buyer education, affordable mortgage programs and the development of affordable homeownership units.

Mr. Daly then described the three rental initiatives: non-profit acquisitions and management of rental housing, incentives for private owners to set aside affordable units and preservation of expiring use and other federally-assisted stock. He congratulated the City Council for its actions in support of affordable housing.

Florrie Darwin, 7 Follen Street, Chair, Cambridge Rent Control Board, Affordable Housing Trust, presented conclusions. She noted the need to develop a long term strategy, the need for flexibility in the use of new funds to be able to respond to market opportunities, and the importance of using local funds to leverage other sources of funds.

Councillor Duehay then opened the hearing to public testimony.

Andrea Collymore, 812 Memorial Drive, stated that she is a member of the 808-812 Memorial Drive Housing Partnership Committee, a group of tenants working with HRI to buy the building. The owner has submitted a second notice of intent to sell the building. The tenant group would like to keep the units permanently affordable. Continued technical assistance from the Community Development Department is necessary as is continued funding of the tenant organization. She encouraged the City to support the activity.

Jean Entine, 259 Upland Road, stated that she is here as a member of Homeowners for Housing Justice. She submitted a statement on behalf of the organization. Ms. Entine thanked the committee and the City for its quick actions. She noted that according to the report a total of 17,300 units are at risk through the loss of rent control and the threat to the expiring use. The City's response is a start but does not fill this gap. She urged the City to look at a goal for how many low/moderate income people should live here. She urged that all tax revenue increases on account of the end of rent control go to affordable housing. She urged a prompt study of the proposal for a transfer tax. She listed five concerns:

- more detail on how many units will be lost
- how many units the plan hopes to build or maintain
- increase the funding targeted for affordable housing
- support negotiations between larger landlords and tenant organizations
- relentless advocacy against proposed cuts.

Elizabeth Morrison, 10 Centre Street, 929 House, stated that she is a senior citizen. There are 56 seniors in her building, an expensive building. McNeil Management has filed a notice of intent. She urged the City Council to continue its support for expiring use tenants and noted the need for architectural consulting funds for the tenants.

Jean Kluver, 108 Auburn Street, stated that she is a member of Homeowners for Housing Justice, and works in the field of affordable housing. She stated that she thinks the City Home plan is great, with many creative ideas. However, it is not enough to cover the incredible loss that faces Cambridge. She stated that she supports increasing the funding. Ms. Kluver stated that it is much easier and cheaper to maintain existing affordable housing and urged aggressive outreach to owners. The City should look at the property tax structure to see whether it will be a factor in increasing rents and look at ways to counteract this, such as tax abatements.

Charles Ash, 285 Harvard Street, stated that he was a rent controlled tenant for many years. He congratulated the Committee on its work.

Sheila Hazen, 402 Rindge Avenue, member of the board of directors of the tenant organization, stated that the City has been very supportive of affordable housing and the tenants who live there. Deborah Askenese, the tenant organizer, has been invaluable in helping to organize the tenants. Over 30% of the residents are members. No one cares more about the building than the tenants themselves.

Geneva Malenfant, 75 Henry Street, President of the Cambridge Civic Association, stated that the CCA has formed a new housing committee and would like very much to work with the City Council on affordable housing.

Deesha Goodwin, 175 Chestnut Street, noted the freeze on MRVP rents at the state level, which is another problem for affordable housing. She is a member of the new CCA Housing committee and she works for Massachusetts Housing and Finance Authority. She noted that there are also utility de-regulation issues to which attention is important.

Frances Wirta, Cambridgeport resident, asked whether the City Manager has contacted Henry Cisneros to try to find out about additional funds.

Susan Schlesinger stated that Nick Retsina, Assistant Secretary at HUD, visited recently. He was shown several projects and there were discussions about funding, but he was not optimistic.

Councillor Duehay stated that the Community Development Department has been working very closely with Senator Birmingham and has had some indications of the availability of additional state funding.

Councillor Duehay stated that the CITYHOME report is a first response to the new housing crisis. It represents an attempt to have something to actually do, not something to talk about.

The Committee would like to see even more funding, but there have been no pay raises for City employees in two years, the City is very close to its levy unit, and there are residents who would like to see this money used to lower taxes.

Councillor Duehay noted that the climate in Washington is to get rid of HUD. Of a yearly budget of \$30 million, Congress is currently considering rescinding 1/4 of it. Cambridge has a very serious problem. In terms of goals, Cambridge needs as much affordable housing as it can get. It will be important to resist the divisiveness of different groups fighting over scraps of diminishing resources.

Councillor Duehay pointed out that another problem that Cambridge has is its high land costs.

Regarding the transfer tax, Councillor Duehay noted that Cambridge had tried this before, and it failed at the legislature. A proposal for a transfer tax would require massive, intensive support. That should not keep Cambridge from trying, but it must be kept in mind. Councillor Duehay added that tax abatements also require action by the Legislature.

Vice Mayor Russell stated that much work has gone into this report. Although the amount of money may seem modest, it is much more than other communities are doing.

Councillor Born stated that the Committee looked very closely at the possibility of a \$20 million bond issue. It would have required spending a great deal on interest and could have had a very dangerous effect on the Cambridge real estate market. In addition, there are serious limitations associated with the use of bond funds in a situation that involves private ownership and investment. Councillor Born acknowledged that although the Committee's report recommends \$2 million per year for 10 years, this is not binding on future City Councils.

Councillor Born noted the seriousness of the concern about displacement. There are two ways to address the issue, rental subsidies and working with landlords to convince them not to raise the rent. She stated that she hopes that most people here understand that rent subsidies don't do anything for permanent affordability.

Councillor Born continued by added that attention should be paid to creating affordable housing in neighborhoods that have not had much affordable housing other than rent control.

Councillor Sullivan thanked those present for coming to participate in creating solutions to this crisis. He also thanked Councillor Duehay and the other members of the Committee. He recalled the statement at the meeting with academics of the "need to be nimble" and stated the need for inventiveness to maximize what we do.

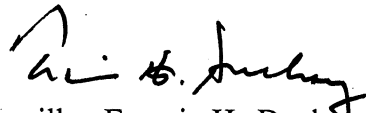
Jim Stockard stated that Cambridge Housing Authority has modified its placement policies to enhance the possibility of higher standing on the Cambridge Housing Authority waiting list for persons displaced on account of the loss of rent control.

Susan Schlesinger described the Housing Services program for those displaced because of the loss of rent control, especially for situations where there may be some possibility of mediation. She also noted that Community Development proposal budget does contain funding for the position of tenant organizations for the expiring use projects.

Councillor Born recommended adoption by the Committee to the full City Council. The motion passed unanimously on a voice vote.

The meeting was adjourned at 6:55 p.m.

For the Committee

A handwritten signature in dark ink, appearing to read "Francis H. Duehay", written in a cursive style.

Councillor Francis H. Duehay, Chair

S-187

Committee Report #4

Comm. was received from D. Margaret Drury,
transmitting a report from Councillor
Francis H. Duehay, Chair of the Housing
and Community Development Committee for
a public meeting held on May 10, 1995
for the purpose of receiving public comment
on the report entitled "CITY HOME...
A New Program for the City of Cambridge."

In City Council May 22, 1995

*Report accepted and
recommendations
adopted and placed
on file on motion
of Councillor Duehay*