MISSION STATEMENT
CAMBRIDGE BANKS HOUSING ASSOCIATES

Cambridge Banks Housing Associates, a collaborative of Cambridge Savings Bank, East Cambridge Savings Bank, Cambridgeport Savings Bank and Cambridge Trust Company, will seek out and provide debt and/or equity funds to meet basic housing needs and to expand housing opportunities for low and moderate income individuals and/or families in Cambridge.

Funding will be provided in any of several forms and on terms and conditions consistent with the goals of CBHA. It is the intent of the participants in CBHA that funds be provided on as flexible a basis as possible to ensure that proposals appropriate to the basic mission of CBHA stand the greatest possible chance of success.

CBHA will only work with or through existing non-profit organizations located within the City of Cambridge.

The participants in CBHA will provide staff support as well as funding. CBHA will not create its own administrative overhead. Initial funding of four million dollars may be increased at the option of the participants as the progress of the program may warrant.

ORGANIZATION

I. Master Participation Agreement. Form to be determined.

A. 4 member board; CEO from each initial party (CSB, CTC, ECSB, CPSB) with designated alternate. Five Year Term.

II. Advisory Panel

A. Advisory Panel (chosen by CEO's) formed annually. Meets with CEO's and investment committee quarterly to consult and advise on organization's policies and direction.

III. Funding

A. Initial funding of four million dollars provided equally by participants. All investments joint interest on same basis.

VI. Operation

A. Investment Committee of 1 representative from each institution investigates and prepares proposals for Board. Chair rotates every 12 months. Members take turns preparing proposals for discussion. Committee to determine other details. Chair coordinates Board meetings and reports and presents proposals to Board.

B. Institution servicing investments to be compensated accordingly.

C. Investments to be repaid participants. Fund not revolving.

V. Investment Policy

A. Investments structured as debt, equity or a combination. Investment returns in creative financing packages such as tax credits if applicable.

B. Minimum individual investment $100,000
Maximum individual investment $1,000,000

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CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

2 April 1990

To The Honorable, The City Council

Four Cambridge based banks, Cambridge Savings Bank, East Cambridge Savings Bank, Cambridgeport Savings Bank and Cambridge Trust Company, have announced a lending initiative aimed at expanding housing opportunities for low and moderate income Cambridge households. Each bank has pledged $1 million for funding the program. This four million dollar pool will be made available to Cambridge based housing non-profits to assist in financing a wide range of affordable housing projects from new construction of units to rehabilitation of the existing stock.

The terms and conditions of the funds are tailored to ensure the viability of projects. More liberal underwriting standards, innovative financing techniques as well as favorable rates will be used to make projects work. In addition to loan funds, the consortium of banks will be able to buy low income tax credits which will provide equity to certain types of affordable housing projects.

A Housing Advisory Panel, consisting of Peter Daly, Executive Director, Cambridge Neighborhood Apartment Housing Services, Inc., Gordon Gottsche, Executive Director of Just A Start, Inc., Henry R. Jacoby, Professor of Management, Massachusetts Institute of Technology, Susan Schlesinger, Director of Housing, City of Cambridge Community Development Department and Daniel J. Wuenschel, Executive Director of the Cambridge Housing Authority, will provide the C.E.O. of Banks with ongoing policy and program direction.

This initiative, developed in conjunction with the Community Development Department, forms the nucleus of a community lending program which will make the financing of affordable housing projects more feasible.

The program structure anticipates that other lending institutions with branches in Cambridge will join the effort and expand the capital pool.

Very truly yours,

Robert W. Healy
City Manager

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Agenda # 11 F-170

Four Cambridge based banks announcing a lending initiative aimes at expanding housing opportunities for low and moderate income Cambridge households.

In City Council,

April 2, 1990

Placed on file