

CAMBRIDGE HOUSING AUTHORITY

CAMBRIDGE MASSACHUSETTS 02139 (617) 864-3020

MEMORANDUM

TO: James L. Sullivan City Manager
FROM: Daniel J. Wuenschel Executive Director
RE: City Council Order #17 under date of January 21, 1980
DATE: January 28, 1980

I am in receipt of your request for the above-mentioned City Council Order relative to the status of the CHA's State-assisted Elderly Housing Program. The following is the requested response.

You will recall that the Housing Authority was awarded approximately 80 units of elderly housing by the Commonwealth under its Chapter 667 Program. E.O.C.D. based the award in the Fall of 1978 on a total development cost of \$32,000 per unit, resulting in a projected grant of \$2.5 million.

In accordance with E.O.C.D. guidelines the Housing Authority engaged an architect to conduct a search and review of proposed sites which would lend themselves to the implementation of this program. Some 14 sites were considered for either new construction or rehabilitation of existing buildings by the CHA and its architect. The CHA put forth a proposal to develop 80 units of housing utilizing the Putnam and Russell School sites. After many meetings and considerable public discussion community opposition to the use of the Russell School site for elderly housing resulted in a June 1979 City Council vote which directed the Authority to look elsewhere for acceptable sites. Fortunately, and with the help of the City and the community, the CHA was able to obtain in August of 1979 45 Linnaean Street as an alternative to the Russell School site. 45 Linnaean Street is a particularly important addition to the City's subsidized elderly housing stock since no such facility currently exists in that neighborhood.

Subsequent to the acquisition of 45 Linnaean Street, the CHA began to encounter serious delays in the processing of the Putnam School development. Since the projected costs to rehabilitate Putnam School exceeded E.O.C.D.'s revised per unit maximums, they (EOCD) insisted on a substantial financial contribution by the City to help defray such costs. The City maintained that City funds should be utilized only to underwrite the cost of acquisition of sites for low-income housing and not to underwrite construction costs. After considerable negotiation and several months, the stalemate was finally broken in December when the City agreed to reallocate much of the CHA Block Grant funding in years 6 and 7, normally allotted to modernization of existing public housing, to the Putnam School development. This action resulted in E.O.C.D.'s approval to the CHA to proceed with specific design of the Putnam School in January of this year.

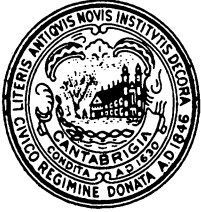
The combined total number of units, therefore, which comprise the CHA's state-assisted elderly housing development program is 53. (24 at Linnaean and 29 at Putnam.) Total per unit development costs for these 53 units, however, are currently estimated at approximately \$38,500 vs. E.O.C.D.'s originally projected \$32,000 per unit. At this writing, then, there would appear to be a balance of funds of approximately \$400,000 remaining in the original grant of 2.5. million. It is, I believe, this \$400,000 and sentiment by some advocates to press the CHA to search for a third site which has prompted the Council's inquiry.

The Authority does not agree with the notion of pursuing a third site and does not intend to do so for several reasons which we feel are compelling:

1. From the beginning E.O.C.D. has been a hesitant partner in our endeavors to spread 80 units over two sites. They clearly prefer the cost savings inherent in the development of all 80 units on one site. There has been extreme reluctance, if not prohibition, from E.O.C.D. to the notion of yet a third site. Despite this opinion, the CHA did devote some energy to a search for a third site during this past summer - to no avail. Since our difficulties in resolving problems created by the Russell School rejection and the costs anticipated at Putnam School have resulted in the need for several time extensions from E.O.C.D., permission of additional time for further activities directed toward the location of a third site and the attendant process which that would require, is extremely improbable, if not impossible.
2. The current unpredictability of the costs of renovation work generally, and specifically the work we are about to undertake at Putnam School makes utilization of the balance of grant funds unwise. Recent rapid and erratic price increases in construction make any cost projection tenuous. The need for a contingency allowance is underlined. The only apparent possible source of such funds is the \$400,000.

3. The CHA has devoted substantial time, energy and financial resources over the past year to the elderly housing development program. The "fruits" of this labor are two potentially fine facilities whose success we should work to insure. Similarly, the Authority feels that we need to redirect and intensify our efforts over the coming year toward the solution of some outstanding problems in our larger family developments.
4. Finally, the CHA feels confident that funding for additional housing for the elderly will be available in the not too distant future. Particularly, this funding will be available if a request is made with the Housing Authority having located appropriate site(s) which are backed by neighborhood support and encouragement and which fit the City's overall goals and objectives for additional elderly housing facilities.

I hope this addresses the question raised by the City Council.



## CITY OF CAMBRIDGE

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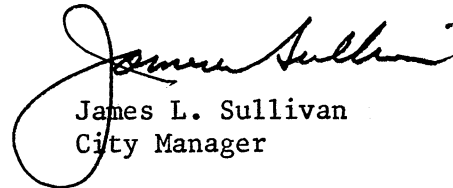
EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

February 4, 1980

To the Honorable, the City Council:

With reference to Awaiting Report Item No. 6, City Council Order No. 17 of January 21, 1980, enclosed please find a report from Daniel J. Wuenschel, Executive Director of the Cambridge Housing Authority, relative to the \$400,000 returned to the Commonwealth by the Housing Authority.

Very truly yours,



James L. Sullivan  
City Manager

JLS/b

F-34

Report from Daniel J. Wuenschel, Exec. Dir.  
of the Cambridge Housing Authority, re:  
Awaiting Report No. 6, re: CHA returning  
\$400,000 to the Comm'lth.

In City Council,

February 4, 1980

2/4/1980

Placed on File  
over Housing