

Councillor Wolf raised several concerns she had relative to continued ownership of the building by Harvard University, the entire rent control issue and what could be done. Mrs. O'Neill responded that unless the Rent Control Board were to change its position, nothing can happen until the litigation is settled. She further stated that in terms of ownership, the plan of the university was to sell the building to Housing Associates for \$250,000 which the university would return to Housing Associates for renovation. The university would lease the land for \$1.00 per year.

At this time Michael Turk of the Rent Control Coalition raised objections to the proposal by Harvard University and Housing Associates stating he thought the figure used regarding the rehabilitation of the building was excessive and that far fewer low-income families would be living in Craigie Arms than would be if it remained under rent control.

At this time City Manager Robert W. Healy stated that if Harvard continues with the litigation, he is 90% certain, based on the facts as he knows them, the City will lose.

Councillor Graham stated that she believed the proposal of Housing Associates was a good one and it should not be totally rejected at this time. However, Harvard University's lack of a comprehensive housing policy was her real concern. She further stated it was imperative that Harvard develop such a policy as it relates to the rest of their property.

Michael Turk requested Harvard University provide the Rent Control Coalition with a low interest loan for approximately \$1 million and allow them to rehabilitate the property.

John Shattuck stated that the only goal of the university was to rehabilitate Craigie Arms without any capital gain to Harvard. He further stated he did not believe the university would object to the concept of a low interest loan, but that it would have to be considered in a broader context particularly in light of the fact the current proposal calls for Harvard to return the sale price to Housing Associates as part of a total price of \$450,000 which was going to be put into the project as part of a revolving low-interest loan fund for small Cambridge landlords to restore rent controlled units.

At this time it was agreed that the committee would meet again in a week and during that time all parties could re-think their positions. The meeting adjourned at 9:45 AM.

The second meeting of the committee convened at 8:45 AM at Harvard University on January 14, 1985 and all members were present. Councillor Vellucci requested a status report.

John Shattuck stated that the appropriate university officials have carefully gone over their position including the concept offered by Michael Turk regarding a low interest loan. However, he further stated that the only proposal the university feels is viable is that which has been proposed by Housing Associates. He further stated that their legal counsel has advised them since they are in litigation, tickering with the issues should take place by a "third party". He further stated the university had serious reservations as to whether or not the Rent Control Coalition would support a \$250,000 write down on the establishment of a low-interest loan for rehabilitation.

Michael Turk responded by stating the building could be sold to the city through the Cambridge Housing Authority or to a non-profit corporation. Questions then centered around the C.H.A. having the adequate funds to purchase and renovate the property. The City Manager stated that in any event a removal permit would be required unless specifically exempted from the ordinance.

Jacqueline O'Neill questioned what the next step would be if Harvard sold the building to the Rent Control Coalition. No answer was forthcoming, however, Kathy Spiegelman, Assistant City Manager for Community Development, stated that if the university sold Craigie Arms to the Cambridge Housing Authority it would be exempt from the removal permit ordinance. Mrs. O'Neill stated that if the building were to be taken by eminent domain then the university would not offer any loans or financial assistance. John Shattuck stated that if the Rent Control Board were to finally agree to the Housing Associates proposal then the university would withdraw from litigation.

Councillor Wolf stated the committee should be presented with four complete proposals including a cost analysis:

1. Housing Associates' package
2. Variation of their package, i.e., rent scale reductions
3. Eminent domain proceeding
4. Michael Turk's package

Once again Councillor Graham stated that she did not have a problem with the Housing Associates proposal, but it is Harvard's overall housing policy which is not being addressed. John Shattuck and Jacqueline O'Neill responded by stating that such a policy should really be discussed in a separate context than with the discussion on Craigie Arms. Councillor Graham responded by stating that possibly a new "Blue Ribbon" committee should be appointed to address the issue.

Michael Turk submitted a statement offering a proposal to rehab the building with a 6% from Harvard University, if the university would agree. Howard Cohen of Housing Associates questioned if anyone had looked at Mr. Turk's proposal and thought it was feasible. Michael Turk responded in the affirmative but did not elaborate. Mr. Cohen stated he did not believe anyone thought the plan could work.

At this time Robert Kuehn, Jr., stated that they would follow Councillor Wolf's suggestion and would prepare within two weeks a summary of facts and figures on their proposal and submit it to the committee. Kathy Spiegelman stated she would have her staff work on the eminent domain figures and submit them to the committee.

It was agreed that another meeting would be called in the future. The meeting was adjourned at 9:55 AM.

For the Committee,



Councillor Alfred E. Vellucci
Chairman

City of Cambridge

In City Council January 21, 1985.....

The Select Blue Ribbon **Committee** of the City Council appointed by Mayor Russell, comprised of Councillors Alfred Vellucci, Chairman, Daniel J. Clinton, Sandra Graham and Alice K. Wolf, conducted two meetings relative to the future of the Craigie Arms apartment building located on Mt. Auburn Street.

The first meeting which was held on January 8, 1985, at Harvard University with university representatives present, essentially provided an opportunity for all concerned to identify the different points of view on the issue and to outline the history of the building to date.

John Shattuck, Vice President for Government and Community Affairs at Harvard, stated the University was extremely glad that the committee had been appointed and hoped meetings such as this would be productive. He further outlined the history of Craigie Arms and stated that due to the fact the university had complied with all appropriate laws, rules, and regulations relative to the issuance of a removal permit and the Rent Control Board refused to issue said permit, the university has no alternative but litigation. He stated this was the third time the Rent Control Board has denied their request.

Councillor Vellucci stated that Rent Control was enacted in Cambridge because of what was happening in Craigie Arms back in 1969 and Harvard University was the owner. He stated that he wanted the keys to the building so that the City of Cambridge could provide housing for low income families of Cambridge.

At this time Robert Kuehn, Jr. of Housing Associates outlined to the committee the proposal he and his partner Howard Cohen put together in an effort to develop Craigie Arms into a viable mixed-income rental housing building. He further stated that much work had been done just in the preparatory stage of the development in terms of addressing the major rehabilitation which would be necessary prior to occupancy. He stated their best estimates were approximately \$15,000 to \$20,000 per unit or approximately \$1.9 million for the building to meet code compliance.

Councillor Vellucci stated that a non-profit corporation such as the Cambridge Corporation which was founded in 1965 could be organized to develop this building.

Jacqueline O'Neill, Associate Vice President for Government and Community Affairs, stated that the university believes in the absence of a better plan, this one should be approved and implemented. She further stated that the university has been working on this problem for several years, however, the Rent Control Board clearly refuses to cooperate.

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REPORT

SELECT BLUE RIBBON

Committee on the Craigie ArmsRe: future of the Craigie Arms apartment
building on Mount Auburn Street.

In City Council,

January 21, 1985

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