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CITY OF CAMBRIDGE  
COMMUNITY DEVELOPMENT DEPARTMENT

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BETH RUBENSTEIN  
Assistant City Manager for  
Community Development

MALAINA BOWKER  
Deputy Director for  
Community Development

**TO:** Robert W. Healy, City Manager

**FROM:** <sup>BR</sup> Beth Rubenstein, Assistant City Manager  
for Community Development

**DATE:** July 24, 2000

**RE:** Council Order #005 dated June 12, 2000: Report on opportunities  
to increase the income-eligibility limit for families participating in  
the City's First-time Homebuyer program.

In response to the above referenced order, this report addresses income eligibility for households participating in the Community Development Department's First-time Homebuyer (FTHB) program. The FTHB program includes classes, counseling, and financial assistance.

### **Homeownership Classes and Counseling**

CDD offers classes to first-time homebuyers 10 times annually. Classes are available to all Cambridge residents regardless of income, and translation services are available.

The four-week class covers a variety of topics including:

- The homebuying process
- Credit and budgeting
- Obtaining a mortgage
- Legal issues
- Home inspections
- An overview of public and private financial services and products for homebuyers.

Classes include a combination of presentations by CDD staff, local real estate brokers and attorneys, home inspectors, and loan officers. The classes are offered at a variety of locations throughout the city and are free of charge.

One-on-one counseling sessions are available for Cambridge residents that have completed the FTHB class. The CDD Housing staff works with residents on a range of issues from developing a budget and savings plan to helping prospective owners to identify a property. The staff works with residents for as long as necessary to help them to achieve their homeownership goals. Counseling sessions are also free to Cambridge residents and translation services are available.

## **Homeownership Financial Assistance Programs**

### *Low and Moderate-Income Program [Below 80% of Area Median Income (AMI)]*

Currently, CDD provides financial assistance to income-eligible first-time homebuyers through two primary avenues. First, CDD provides financial assistance to non-profit developers of homeownership units. By providing funding for the development of these units, the non-profit organizations are able to sell the units at an affordable rate.

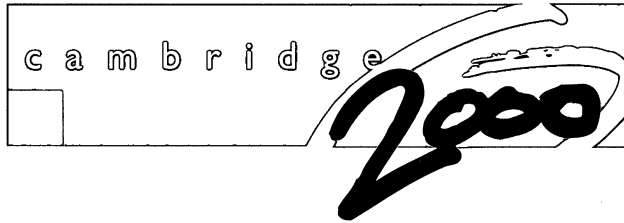
Second, CDD provides limited direct subsidies (average of \$35,000) to first-time homebuyers that identify a unit on the private market. The City's Affordable Housing Covenant is recorded with the deed of all such units to ensure permanent affordability.

In accordance with HUD's income limits for housing programs, this financial assistance is available to residents that earn less than 80% of AMI. The City does not have the flexibility to raise income limits under federal and state regulations.

### *Moderate-Income Program [80-120% of AMI]*

CDD, through the Affordable Housing Trust, recently received a low-interest loan from Harvard University to support the development of affordable housing, both rental and homeownership. CDD is currently researching and developing a pilot program that will use these funds to provide households with incomes greater than 80% of AMI but less than 120% of AMI with financial assistance for homeownership. The City's Affordable Housing Covenant will be recorded with the deed to ensure that the unit is permanently affordable for the next income-eligible household.

CDD expects that this program will be available to Cambridge residents in Fall 2000.



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CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager      Richard C. Rossi, Deputy City Manager

July 31, 2000

To The Honorable, The City Council:

I am hereby transmitting notification of the appointment of the following persons as Public Weighers for the year 2000 to allow for the operating of truck scales at James W. Flett Company, 364 Third Street, Cambridge:

Phillip L. McLaine  
Luis Ferreira  
Augusto Corrazedo  
Peter Kerrigan

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy".

Robert W. Healy  
City Manager

RWH/mec



2000 Things 2 Do in 2000

72A

Consent Agenda #3

Relative to the appointment of  
the following persons as  
Public Weighers for the year  
2000 to allow for the operating  
of truck scales at James W. Flett  
Co., 364 Third Street.

In City Council July 31, 2000

**PLACED ON FILE**