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D. MARGARET DRURY
CITY CLERK

DONNA P. LOPEZ
DEPUTY CITY CLERK

TO: The Honorable, The City Council

FROM: D. Margaret Drury, Clerk

RE: Letter from Kathleen Leahy Born
Chair of the Housing and Community Development Committee

DATE: March 18, 1999

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A copy of the enclosed letter from Councillor Born, Chair of the Housing and Community Development Committee, was sent to each member of the board of directors of Grove Property, the owner of 929 House, on behalf of the committee. Councillor Born has requested that a copy of this letter be transmitted to the City Council.



CAMBRIDGE CITY COUNCIL

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Kathleen Leahy Born
City Councillor

March 11, 1999

Mr. Damon D. Navarro,
Trust Manager
Grove Property Trust
598 Asylum Avenue
Hartford, CT 06105

Dear Mr. Navarro:

I am writing to you in my capacity as Chair of the Cambridge City Council Committee on Housing and Community Development regarding your decision to reject the agreement as to 929 House negotiated by your staff and the City of Cambridge staff. We would very much appreciate an opportunity to meet with you to discuss the City's proposal and better understand Grove's concerns.

We continue to be puzzled as to why Grove Property rejected the offer of an agreement with the City of Cambridge that experienced housing staff and consultants to both Grove and the City adjudged as a fair market deal for Grove Property. The structure of the transaction was designed to fully compensate for the stream of revenue losses attributable to the affordability restrictions required in perpetuity. We are concerned that there may be some misunderstanding as to the benefits and consequences of the deal that was negotiated by your staff and ours. I am including a copy of the commitment letter that reflects the terms of the transaction as agreed.

In addition, I am enclosing some additional information that the committee believes the Grove Property board should be aware of in its future discussions of 929 House. That information includes a copy of House Bill 447, which is presently pending in the state legislature. This proposed law calls for retroactive regulation of rents in expiring use buildings to ensure that they remain affordable for low and moderate-income persons. To the great surprise of many observers of the Massachusetts real estate scene, this proposal was adopted by both houses of the state legislature in the last session and only died at the last moment by means of a veto exercised by the governor. Affordable housing advocates and tenants are working very hard to ensure passage of the bill this term.

Also enclosed are articles about 929 House, which were published in prominent Massachusetts newspapers, including an editorial in the Boston Globe, in which 929 House is used as an example of why this law needs to be passed. Cambridge tenants and advocates are at the forefront of the lobbying effort at the state level.

In this environment, you may be sure that continuing controversy about 929 House will not only receive statewide publicity, it also has the potential to play a key role in passing a law to retroactively regulate all expiring use buildings, including 929 House. I, along with the City's technical staff, would be surprised if your board believes either of these outcomes to be in the interest of Grove Property.

We would expect that Grove has an interest in establishing and maintaining a reputation as a fair and competent real estate owner in Massachusetts, and would like to be viewed as competitive by topflight investors and financial institutions here. We hope that Grove will acknowledge the City's continuing interest in protecting the long-term affordability of the 57 affordable units by reopening negotiations. We are convinced that an agreement on this issue can be reached.

Very truly yours,

Kathleen Leahy Born, Chair
Housing and Community Development
Committee

KLB/mc

Enclosures

cc: Roger Herzog, Housing Director, CDD

F: Grove Property Letter

8-203
Communications and Reports
From City Officers #1.

A communication from D. Margaret Drury, City Clerk, relative to a request from Councillor Born to transmit to the City Council a copy of the letter sent by her on behalf of the Housing and Community Development Committee to the board members of Grove Property Trust, owner of 929 House.

In City Council March 22, 1999.

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