



CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

SUSAN B. SCHLESINGER
Assistant City Manager for
Community Development

BETH RUBENSTEIN
Deputy Director for
Community Development

MEMORANDUM

TO: Robert W. Healy, City Manager

FROM: Susan Schlesinger, Assistant City Manager for Community Development

DATE: May 27, 1998

RE: Council Order #071 dated 5/4/98 RE: Report on the possibility of purchasing 59 Norfolk Street and 6 Porter Road by the City or one of the affordable housing non-profit agencies.

The Community Development Department has looked into the feasibility of a non-profit acquisition of the former rent-controlled properties on Porter Road and Norfolk Street. On April 3, 1998 the properties at 6 Porter Road (6 units) and 59 Norfolk Street (8 units) were sold by Sidney Gross to Leonard Aronson for \$1,000,000, or \$71,400 per unit. Sidney Gross holds a mortgage on the property for \$990,000. On April 7, 1998 an auction for a purchase & sale agreement (sold to Todd Schaeffer by Mr. Aronson) on the properties was held. Joseph Yous was the high bidder at \$1,350,000, or \$96,400 per unit. Mr. Yous had until May 15, 1998 to complete the purchase. He did not, and Mr. Aronson remains the owner.

Prior to the sale of the properties, we held several discussions with Mr. Aronson regarding the possible sale of the properties to a local non-profit. An inspection of the properties was conducted and the estimated rehab costs were very high due to years of deferred maintenance, structural problems, and many code violations. Given the high rehab costs and the expectation that the bid prices at the auction would exceed \$1,000,000, it was determined that it would not be feasible to purchase these properties for affordable housing at the time of the auction.

Mr. Aronson remains the owner of record. Just A Start Corp. (JAS) is now looking at the feasibility of buying the properties for affordable housing. In order to do this, the owner will have to substantially decrease his asking price. The amount of public subsidy that would be needed to buy and rehab. the properties at the current purchase price is much higher than subsidy levels in projects the non-profits are currently developing. It is questionable whether these properties have a market value as high as the current price.

Please let us know if we can provide any additional information on this matter.



CITY OF CAMBRIDGE
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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

June 1, 1998

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 8, regarding a report on the possibility of the City or one of the affordable housing non-profit agencies purchasing 59 Norfolk Street and 6 Porter Road, received from Assistant City Manager for Community Development Susan Schlesinger.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
Attachment

Consent Agenda #8

3865

A report on the possibility of the
City or one of the affordable housing
non-profit agencies purchasing
59 Norfolk Street and 6 Porter Road.

In City Council June 1, 1998

PLACED ON FILE