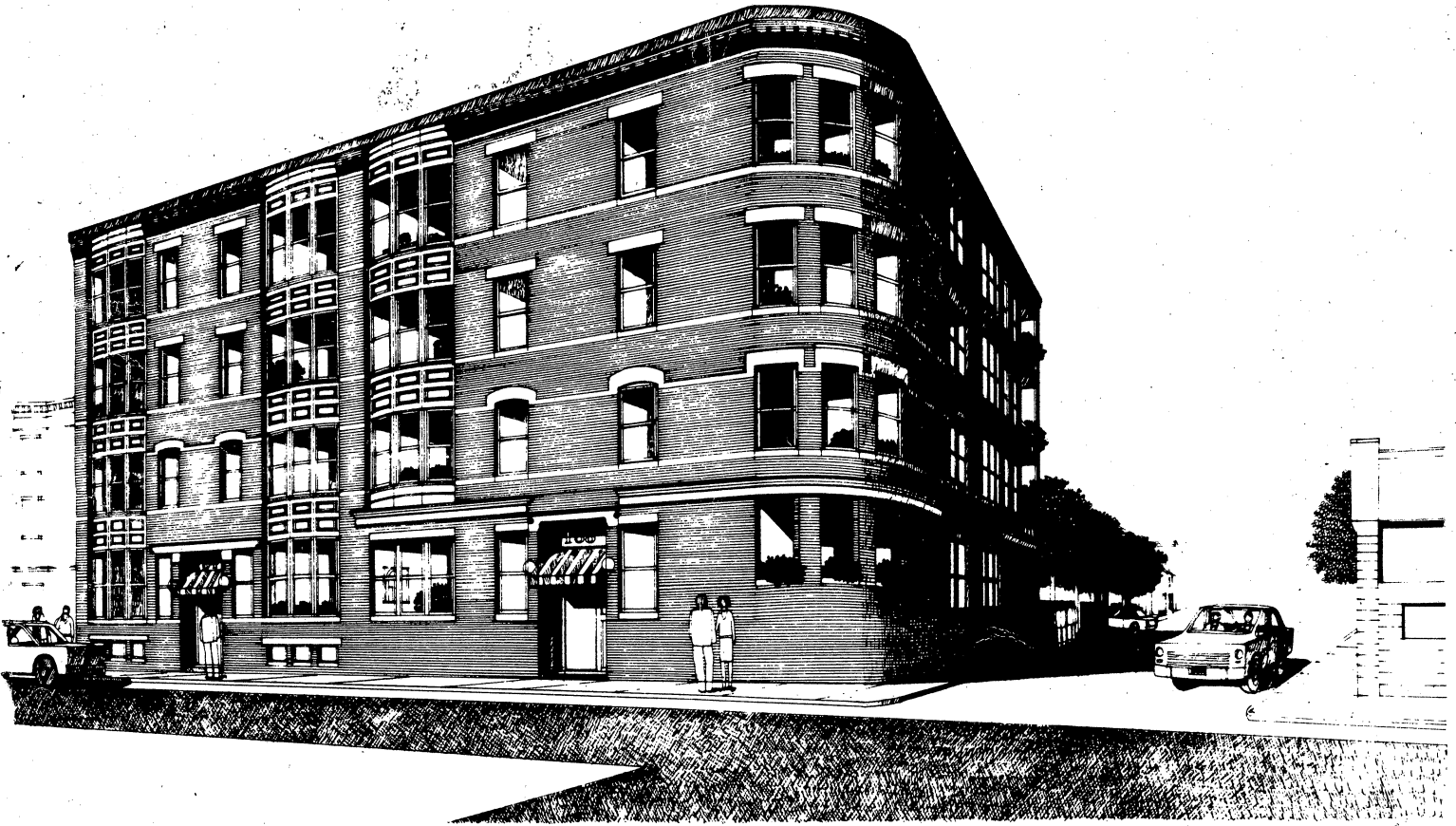


5-522



# 184-188 HARVARD STREET

CAMBRIDGE, MASSACHUSETTS

**DEVELOPERS:** Interplan Development Corporation  
Boston, MA  
Homeowner's Rehab, Inc.  
Cambridge, MA

## TABLE OF CONTENTS

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2. Evidence of Deteriorated Building
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7. Marketing / Affordability
8. Tenant Selection
10. Resumes
11. Exhibits
  - A. Preliminary Financing Approval by Massachusetts Government Land Bank.
  - B. Land Bank Rent Restrictions.
  - C. Legal Opinion on Cooperative Conversions.
  - D C.H.A. Section 8 Commitment.

PROJECT DESCRIPTION

Redevelopment Plan for 184-188 Harvard Street  
(Corner of Pine Street)

Project Description:

This project involves the complete rehabilitation of a vacant, deteriorated and fire-damaged residential building for 17 units of mixed-income housing. The building has been uninhabited for more than ten years and is not subject to Cambridge Rent Control, though rents will be regulated by the Massachusetts Government Land Bank after rehabilitation is completed.

The building is designed for occupancy by low, moderate and middle income families, with 14 of the 17 units having three bedrooms. 35% (6) of the units - all three bedroom - will be leased to the Cambridge Housing Authority for 15 years; 18% (3) will be provided at rents affordable to moderate-income families (below 80% of median income), and 47% (8) of the units will be market rate at rents below those for comparable apartments in other developments. The project is being structured to allow for the eventual conversion of the building to a limited-equity cooperative in which the income mix would be maintained

Project benefits to the city and neighborhood include the renovation of an 'abandoned' building and the elimination of a blighting and hazardous condition as well as the provision of 17 large rental units for families of varied incomes. Previous attempts to rehabilitate the property were unsuccessful due to the lack of adequate financing. The creative combination of public and private funds that have now been assembled provides a somewhat unique opportunity to undertake this important project.

Development Team:

Homeowner's Rehab, Inc (HRI) - a Cambridge based nonprofit housing corporation that has sponsored the Work-Equity and Housing Improvement Programs in Cambridge for more than ten years. HRI has recently completed the Cherry Street Townhouses - 8 new homes for low and moderate-income families. HRI will serve as the general contractor for the project; and

Interplan Development Corp. - an affiliate of Steffian-Bradley Associates, a major Boston-based architectural firm with extensive experience in housing and rehabilitation. Steffian-Bradley Associates are the project architect.

Permanent Financing

The Massachusetts Government Land Bank will provide permanent financing at a below-market rate, currently estimated at 10.5% on a 30 year schedule.

Construction Loan:

Shawmut County Bank, Cambridge

Total Project Cost:

\$1,250,000. including private investment of approximately \$300,000 and CDBG funds of \$245,000.

## SITE DESCRIPTION

Total Land Area: 10,400 SF

Gross Building Floor Area: 23,877 SF  
(not including porches and  
unfinished portion of basements)

Net Floor Area: 18,925 SF

Property Description: Vacant 4-story brick building constructed in 1898. The building shell, floors and support structure are in good condition. The interior needs extensive rehabilitation and entirely new mechanical systems. There is fire wall separation between Building No. 184 and No. 188.

Condition of Site: The lot is primarily level and functional and is contained at the corner of Harvard and Pine Streets. A chain link fence encloses the entirety of two of its sides.

Condition of Neighborhood: The site is located in the Central Square/Harvard Street area of Cambridge, known as Neighborhood Four. It is a densely developed community, with a mix of 1-4 unit owner-occupied homes and smaller-sized apartment buildings of 5-20 units.

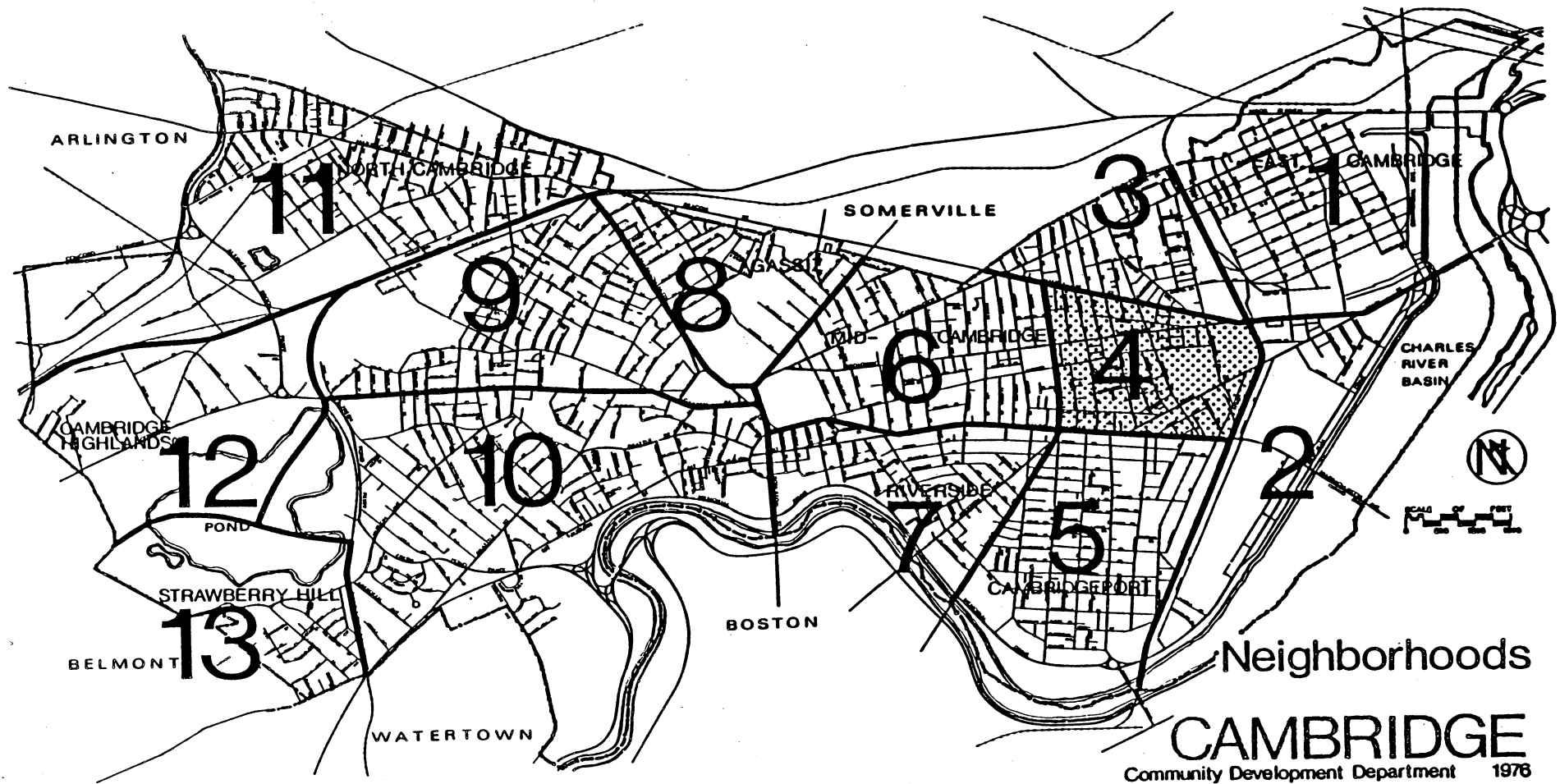
Building conditions in the neighborhood vary widely, but most structures are sound, fully occupied, and in need of no more than moderate improvements.

For the past 10 years, Homeowner's Rehab, Inc. has carried out a rehab program aimed at upgrading 1-4 unit owner-occupied structures. Several hundred units in these structures have been improved.

Two public housing projects, Washington Elms and Newtowne Court are located on the eastern end of the neighborhood. They are now undergoing extensive modernization.

Central Square, one of Cambridge's primary commercial centers, dominates the southwest corner of the community. Additional commercial activity is found along Hampshire and Prospect Streets. Kendall Square, at the eastern end of the neighborhood, is now undergoing \$250 million worth of redevelopment as an office, commercial and research center, and is expected to generate substantial new demand for housing in the surrounding neighborhoods.

Current Zoning: Current zoning is C-1 Residential. A variance has been obtained permitting the project.

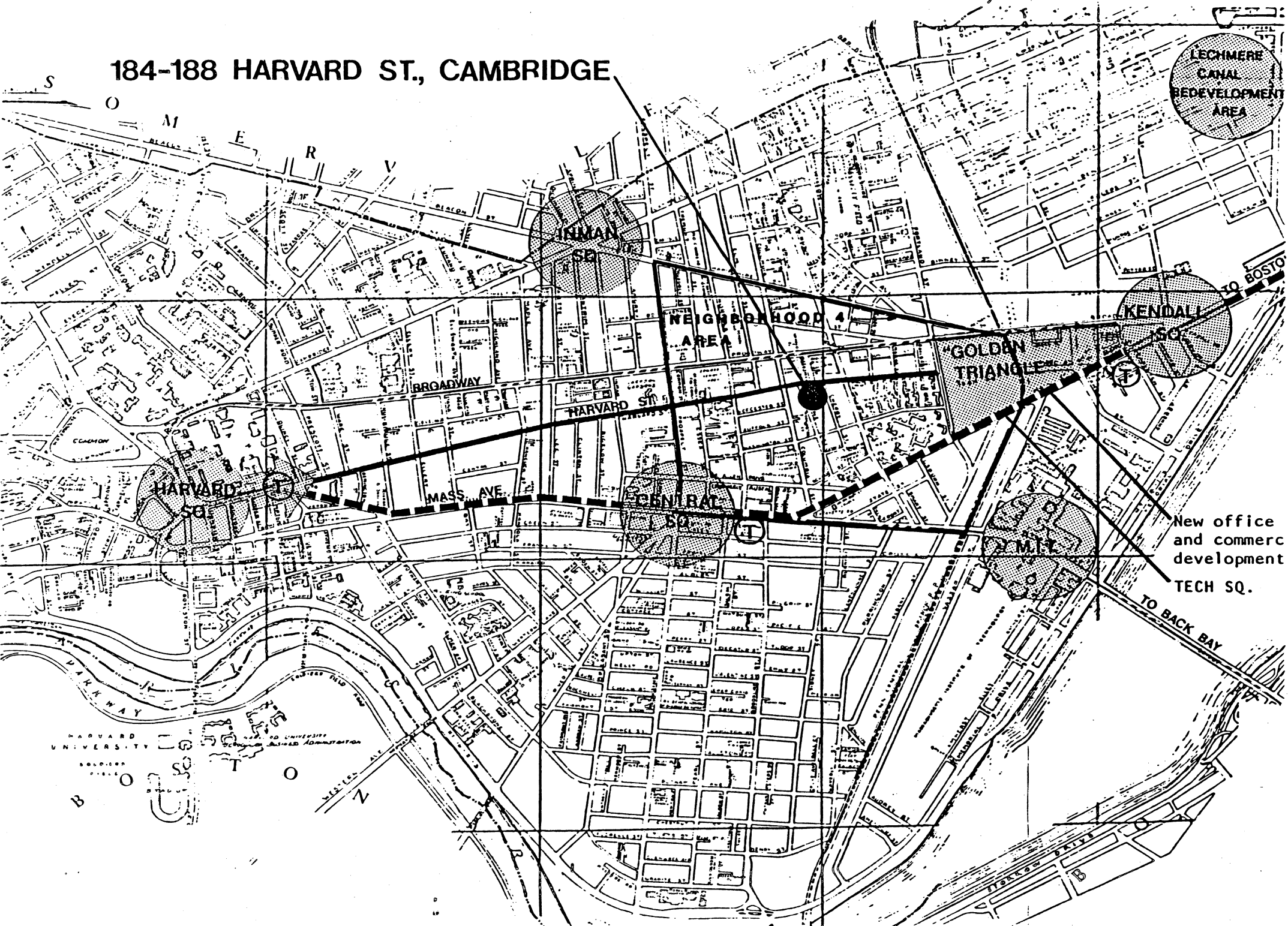


Neighborhoods

# CAMBRIDGE

Community Development Department 1978

# 184-188 HARVARD ST., CAMBRIDGE



LECHMERE  
CANAL  
REDEVELOPMENT  
AREA

INMAN  
SQ.

NEIGHBORHOOD 4  
AREA

GOLDEN  
TRIANGLE

KENDALL  
SQ.

HARVARD  
SQ.

CENTRAL  
SQ.

TECH  
SQ.

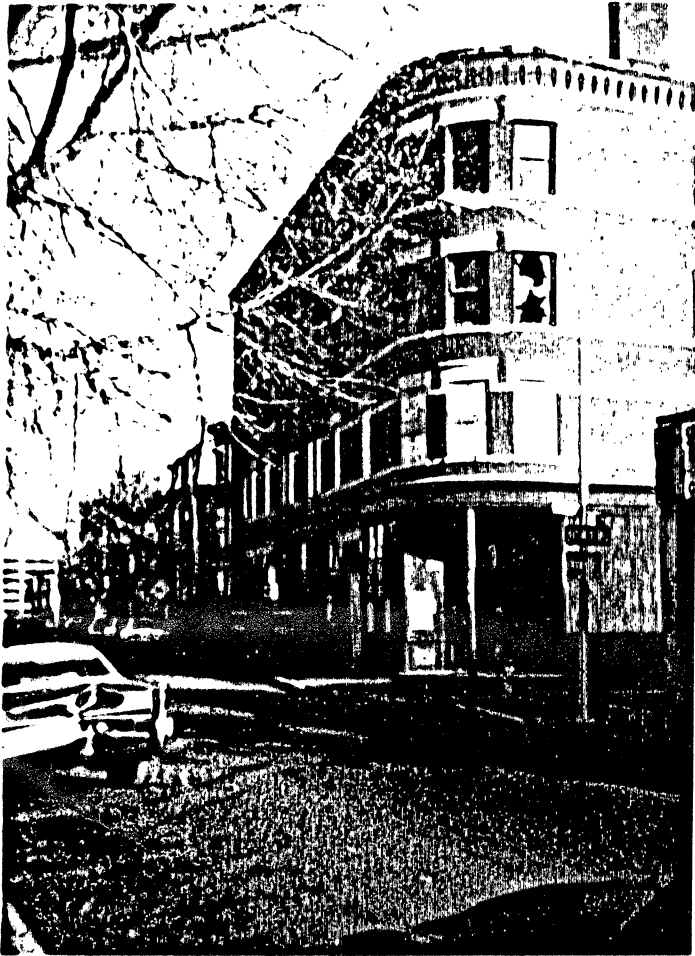
New office  
and commerc  
development  
TECH SQ.

HARVARD UNIVERSITY  
UNIVERSITY ADMINISTRATION

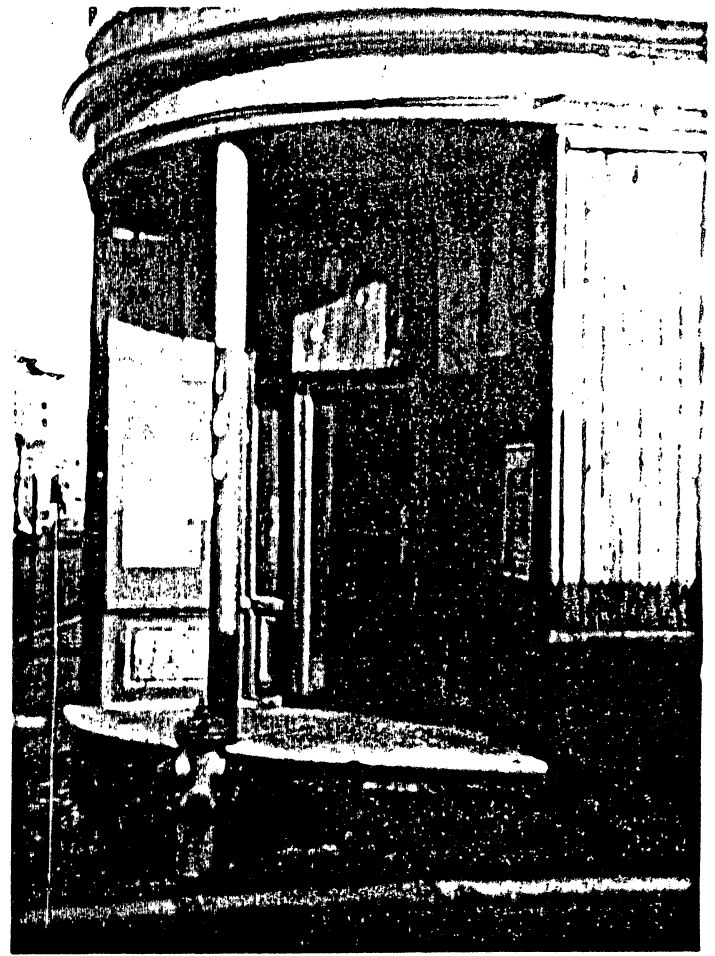
TO BOSTON  
TO BACK BAY

EVIDENCE OF DETERIORATED BUILDING

**EVIDENCE OF DETERIORATED BUILDING**



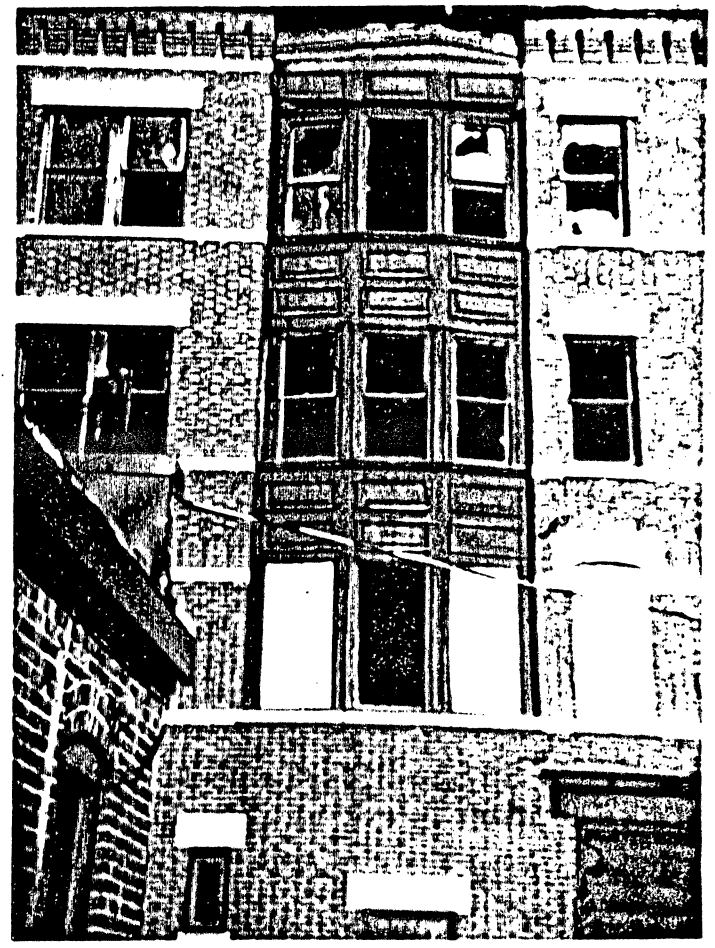
**CORNER OF HARVARD & PINE FROM NORTH**



**CORNER OF HARVARD & PINE - DETAIL**



**PINE STREET (WEST) ELEVATION**



**PINE STREET ELEVATION DETAIL**

PROPOSED DETERMINATION OF DECADENT CONDITIONS FOR 184-188 HARVARD STREET, CAMBRIDGE, MASSACHUSETTS - 10/28/83.

Location

184-188 Harvard Street is located at the corner of Pine and Harvard Streets. The site is approximately one-quarter mile from the Central Square commercial district, and one-half mile from Kendall Square (Cambridge Center). It is within walking distance of MIT and two stations on the MBTA Red Line.

The surrounding neighborhood is a densely developed residential community of older 1-4 unit owner-occupied and 5-20 unit rental structures. Many of the homes have been rehabbed in recent years; others remain in need of a moderate level of improvement. Most are sound and fully occupied. One block from the proposed project, 8 new homes are being developed by Homeowner's Rehab, Inc. for moderate income families on a formerly vacant lot.

The Cambridge Housing Authority is in the midst of a major modernization of the Washington Elms and Newtowne Court projects at the eastern edge of the neighborhood.

Subject Property

Subject property is a vacant 4-story brick apartment structure. No. 184 is separated by a fire wall from No. 188. The interior of the building is gutted, except for wall studs and flooring. There has been some fire damage in one of the units at No. 184.

The shell, floors and support structure are in sound condition. The building has been uninhabited for more than five years.

The property is presently owned by Interplan Development Corporation, a company owned and operated by the shareholders of Steffian Bradley Associates, Inc., a Boston-based architectural firm.

## Blight Report Checklist

### DECADENT AREA

An area which is detrimental to safety, health, morals, welfare, or sound growth of a community because:

- of existence of buildings out of repair, physically deteriorated, obsolete, or unfit for human habitation.
- much of the real estate in recent years has been sold or taken for non-payment of taxes or upon foreclosure of mortgages.
- buildings have been torn down and not replaced, and replacement is improbable under existing conditions
- of a substantial change in business or economic conditions
- of inadequate light, air, or open space, or excessive land coverage.
- diversity of ownership, irregular lot sizes or obsolete street patterns.

and because of these conditions it is improbable that the area will be redeveloped by the ordinary operations of private enterprise.

### SUBSTANDARD AREA

An area which is detrimental to safety, health, morals, welfare, or sound growth of a community because it is an area wherein dwellings predominate which are:

- dilapidated
- overcrowded
- of faulty design or arrangement
- lacking ventilation, light, or sanitation facilities

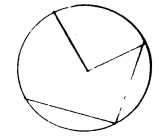
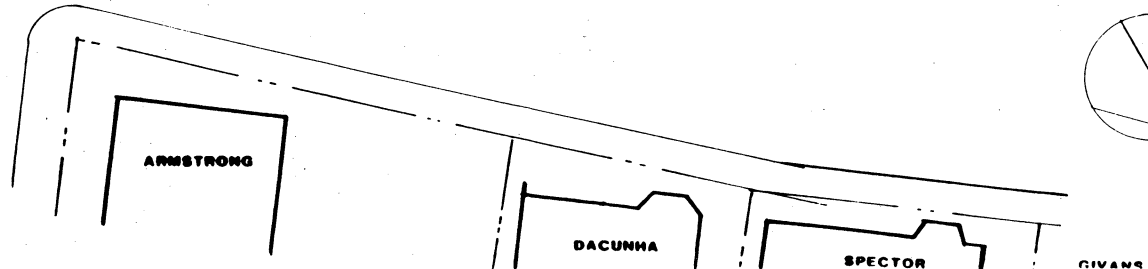
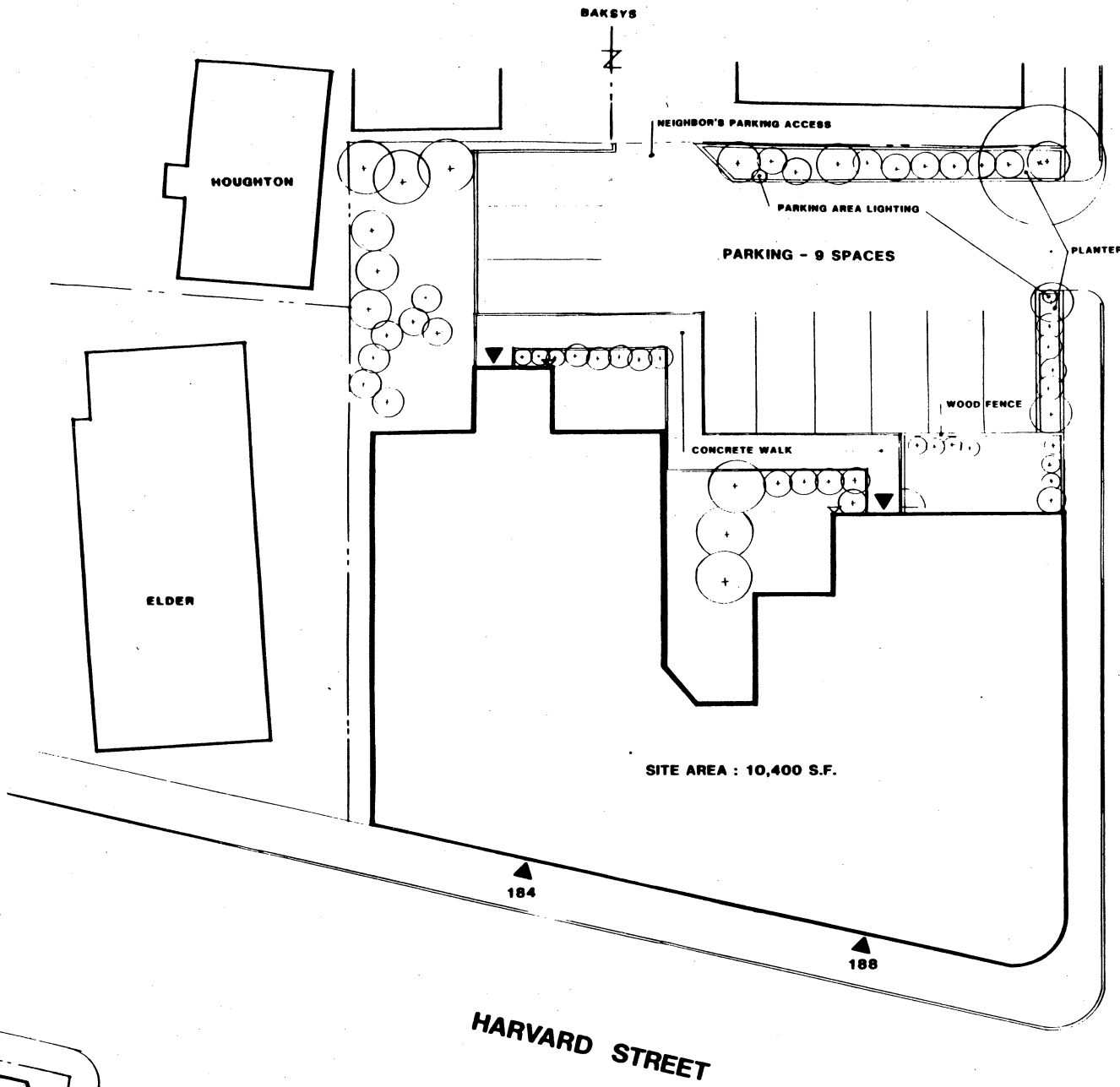
## Proposed Determination of a Decadent Area

### Note to Checklist:

No. 184-188 Harvard St. is a vacant, boarded-up apartment building totally unfit for human habitation. There are presently no interior walls or ceilings in any of the units. The plumbing and heating systems have been removed and the electrical system is substandard. There is no fire detection equipment in the building. The building is listed on the Building Commissioner's list of distressed properties and occupancy is not permitted.

See photographs of the building on page 6-4.

BUILDING PLANS



STEFFIAN · BRADLEY ASSOCIATES, INC.  
 ARCHITECTS · ENGINEERS · CANAL STREET · BOSTON, MASS. 02114 (617) 277-8520

**184-188 HARVARD STREET  
 CAMBRIDGE, MASS.**

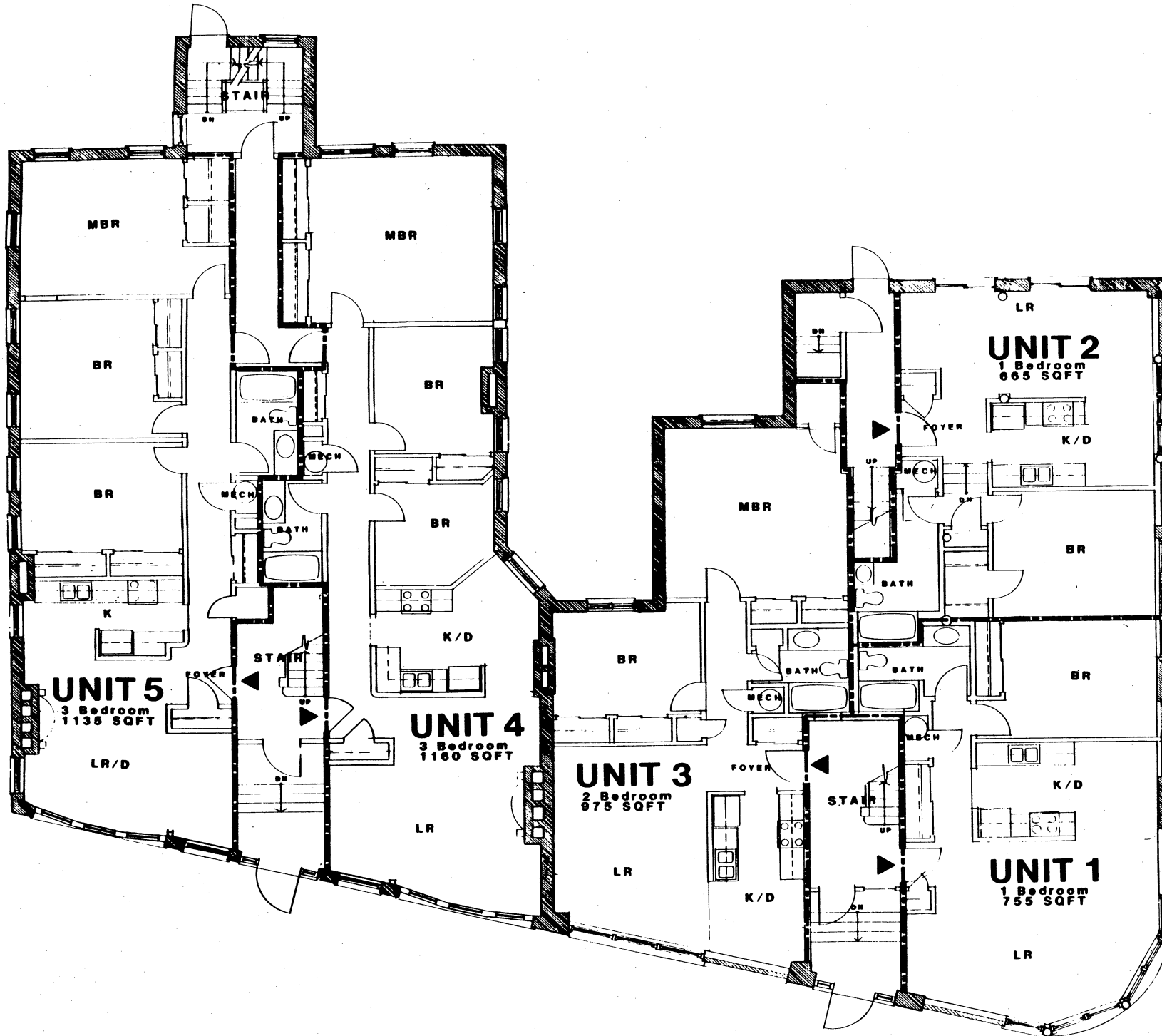
DEVELOPER: INTERPLAN DEVELOPMENT CORP. / HRI

SITE PLAN

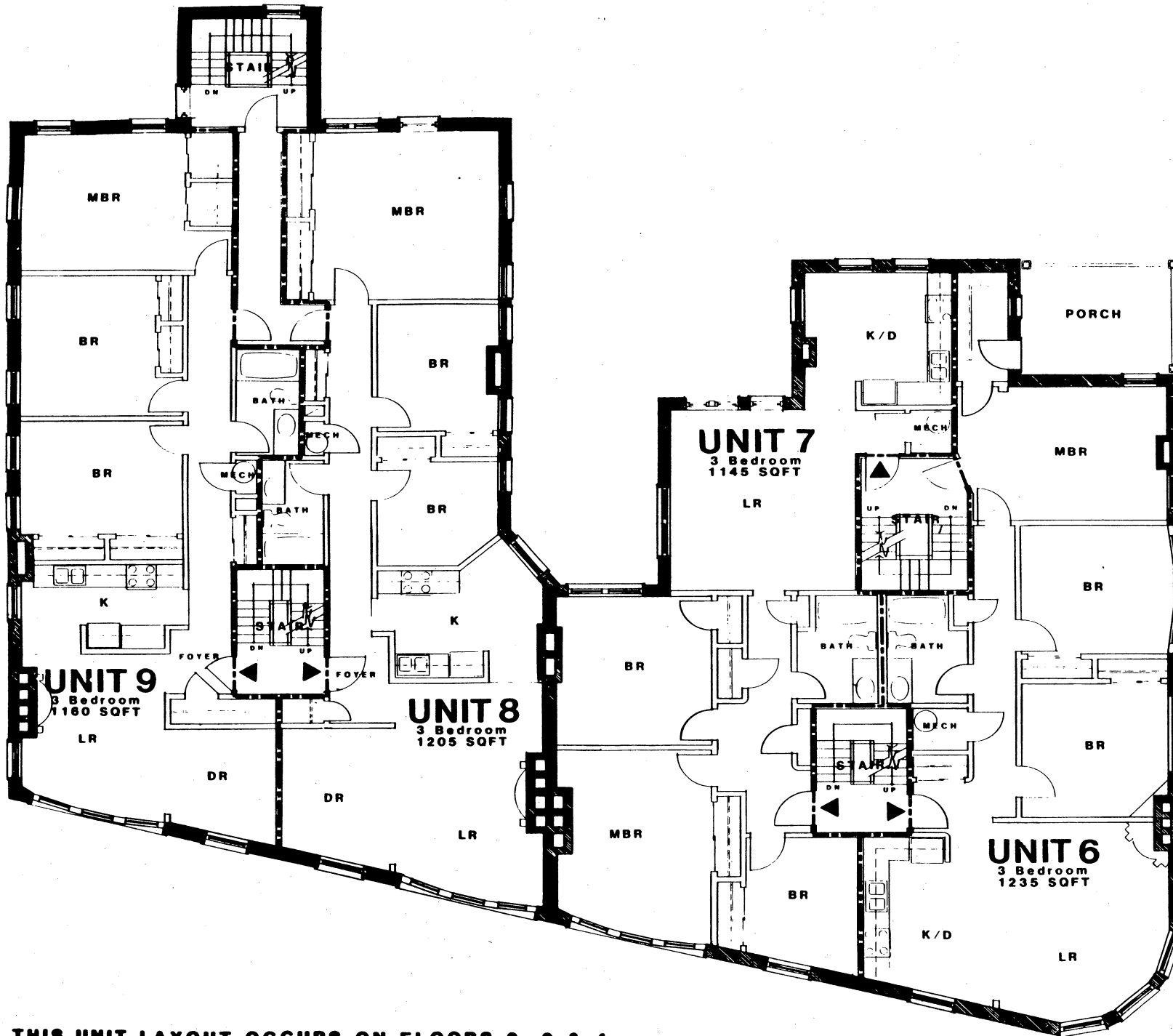
1/8" = 1'-0"

**8105**

REVISION  
 DESCRIPTION



DATE	REVISION DESCRIPTION
6/7/76	AND DATE
<b>STEFFIAN BRADLEY ASSOCIATES, INC.</b>	
<b>184-188 HARVARD STREET CAMBRIDGE, MASS.</b>	
DEVELOPER: INTERPLAN DEVELOPMENT CORP. / HRI	
<b>FIRST FLOOR PLAN</b>	
1/4" = 1'-0"	
<b>8105</b>	



THIS UNIT LAYOUT OCCURS ON FLOORS 2, 3 & 4

DATE  
1/14/03

REVISION  
DESCRIPTION

STEFFIAN · BRADLEY ASSOCIATES, INC.  
ARCHITECTS PLANNERS 100 HARVARD STREET BOSTON MASS 02118 (617) 267-1300

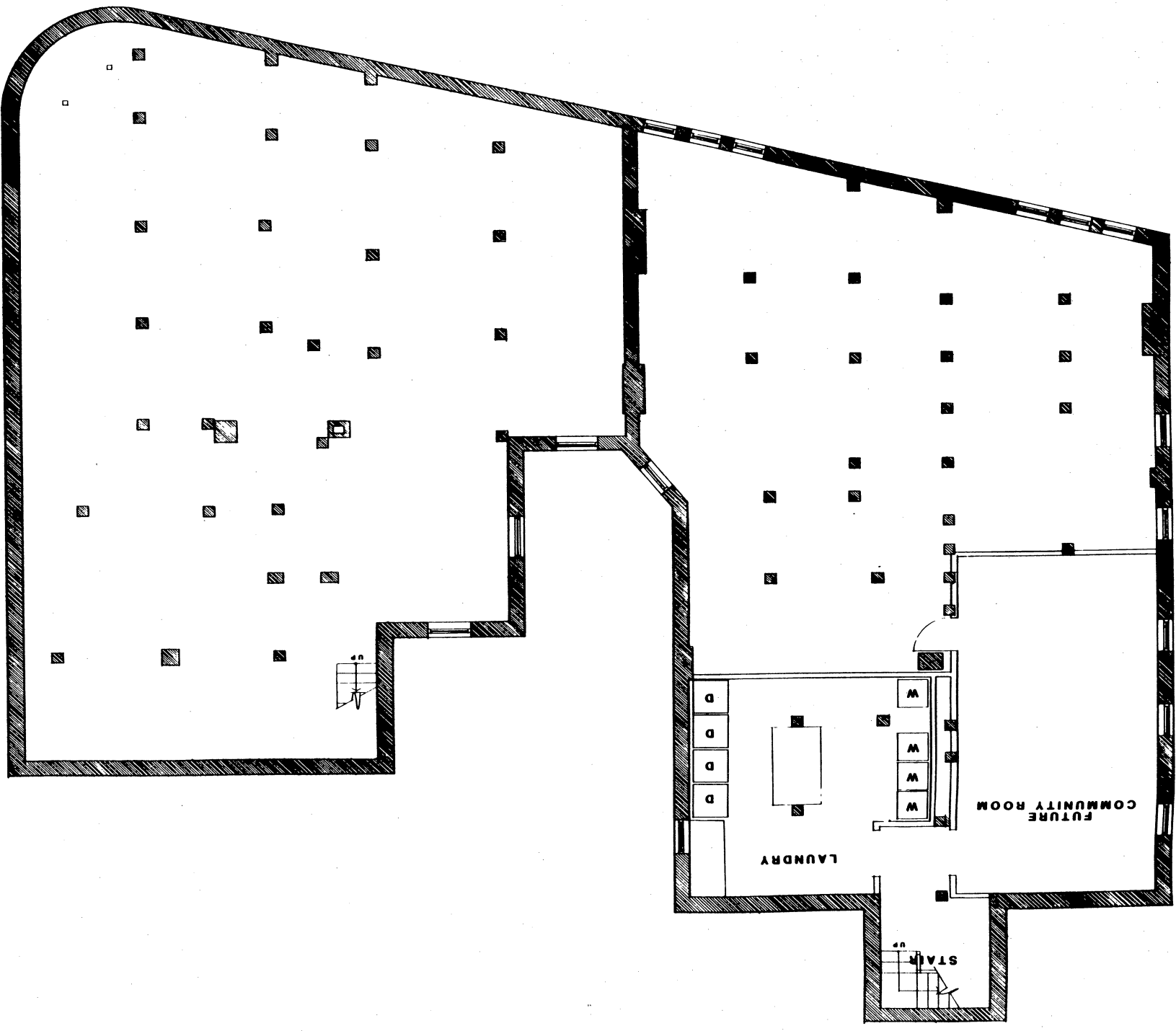
184-188 HARVARD STREET  
CAMBRIDGE, MASS.

DEVELOPER: INTERPLAN DEVELOPMENT CORP. / HRI

TYPICAL PLAN  
FLOORS 2 - 4

1/4" = 1'-0"

8105



BASMENT PLAN

1/4" = 1'-0"

8105

STEFFIAN · BRADLEY ASSOCIATES, INC.  
 AIR OPERATED BUILDING, 100 HARVARD STREET, CAMBRIDGE, MASS. 02142

184-188 HARVARD STREET  
 CAMBRIDGE, MASS.

DEVELOPER: INTERPLAN DEVELOPMENT CORP. / HRI

DATE

DESCRIPTION

REVISION



NORTH ELEVATION

DATE  
01.28.09  
01.28.09

REVISION  
DESCRIPTION  
PRICING SET  
LAND DATA

STEFFIAN · BRADLEY ASSOCIATES, INC.  
ARCHITECTS · 100 STATE STREET, SUITE 2000, BOSTON, MASSACHUSETTS 02109

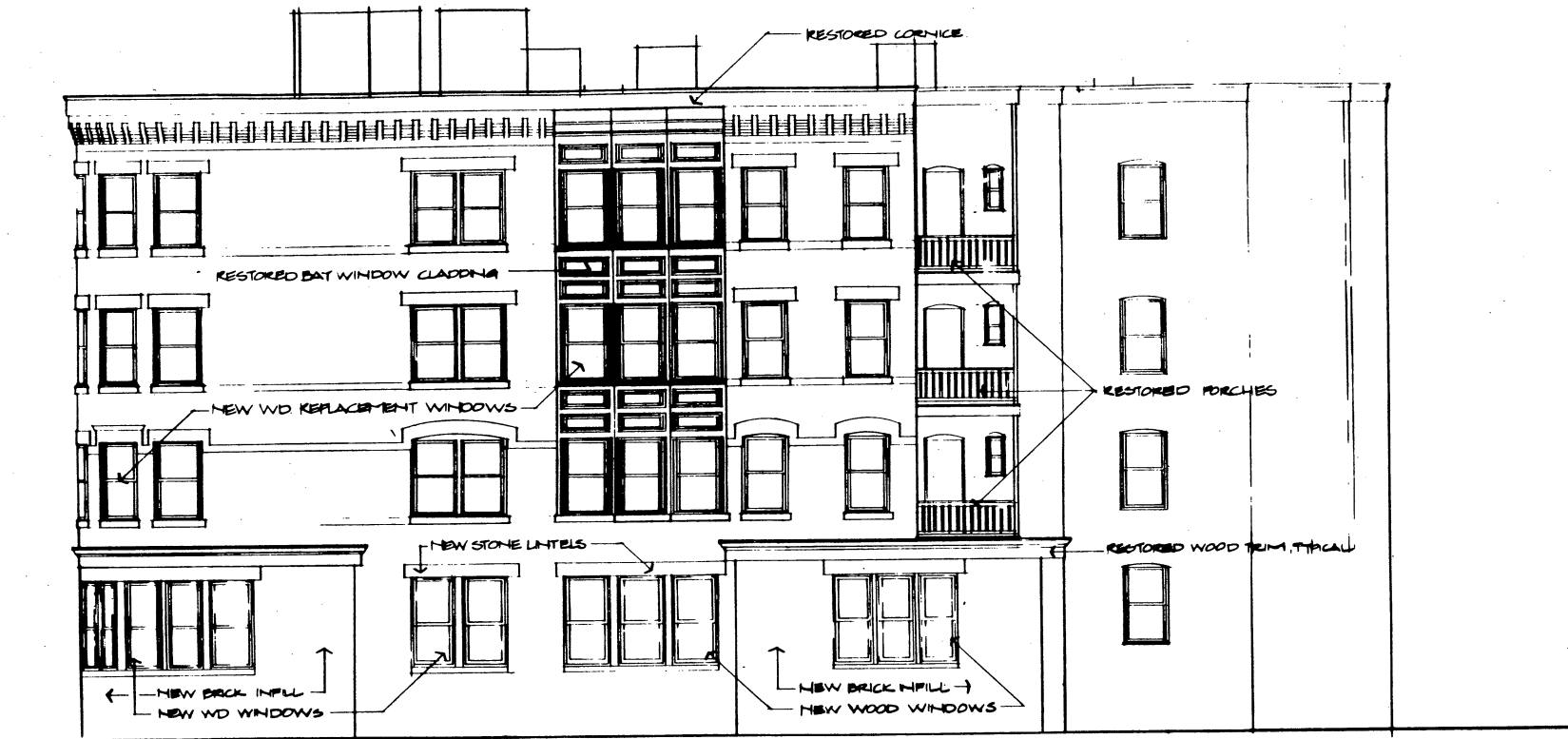
**184-188 HARVARD STREET  
CAMBRIDGE, MASS.**

DEVELOPER: INTERPLAN DEVELOPMENT CORP. / HRI

NORTH  
ELEVATION

1/4" = 1'-0"

**8105**



WEST ELEVATION

DATE	REVISION DESCRIPTION
01.18.09	REVISED
02.02.09	REVISED

**STEFFIAN BRADLEY ASSOCIATES, INC.**

**184-188 HARVARD STREET  
CAMBRIDGE, MASS.**

DEVELOPER: INTERPLAN DEVELOPMENT CORP. / HRI

**WEST ELEVATION**

1/4" = 1'-0"

**8105**



SOUTH ELEVATION

DATE  
D. H. B.  
O. H. B.

REVISION  
DESCRIPTION  
PLACING SET  
AND DATE

STEFFIAN BRADLEY ASSOCIATES, INC.

184-188 HARVARD STREET  
CAMBRIDGE, MASS.

DEVELOPER: INTERPLAN DEVELOPMENT CORP. / HRI

SOUTH ELEVATION

1/4" = 1'-0"

8105

DETAILED OUTLINE OF PROPOSED WORK  
(Subject to Historical Certification Requirements)

Demolition (Accomplished)

- Remove all plaster from interior partitions.
- Remove all plumbing fixtures and piping.
- Remove all electrical equipment and wiring.
- Remove all interior doors and trim.

Demolition

- Site: - Remove existing curb and sidewalk at driveway.
- Building: - Remove additional interior partitions as required for reconfiguration of units.
- Remove all wood storage bins in basement of 184.
- Remove all existing windows from masonry openings.
- Remove existing roof covering.
- Demolish four chimneys.
- Enlarge masonry openings for windows at ground floor.
- Remove remaining plaster.
- New masonry openings at parking lot (south) elevation.

Site Work

- Grade and pave nine parking spaces, access and turning areas.
- Install new concrete walk to rear building entrances.
- Install new planting, ground cover and bark mulch around parking area at rear.
- Install 6' high wood fence at lot line.
- Install parking lot lighting.

Concrete

- Patch basement floor at new drain locations.

Masonry

- New brick panels at storefronts.
- Stone lintels to match existing above new first floor windows.
- Tooth-in around enlarged masonry openings with brick from demolished areas.
- Repoint deteriorated brick veneer (approx. 34% of brick area).
- Grouting as required.

## Metals

- Metal stud backup at new masonry panels.
- Bay window repair/replacement.
- Lintels for new masonry openings.

## Wood and Plastics

- New partitions (approx. 30%).
- New beams where required across openings.
- Flooring underlayment.
- Rebuild stairs to basement laundry room.
- Restore exterior wood trim
- New interior wood trim and shelving.
- Kitchen cabinets.
- Bath vanities.
- Restore wood paneling and bannisters in stairways.
- Restore fireplaces in units.
- Folding tables in basement laundry.

## Thermal and Moisture Protection

- Rigid insulation on roof and masonry walls, fiberglass batts at wood walls, blown cellulose at roof.
- New rubber membrane roof.
- Flashing and caulking as required.

## Doors and Windows

- New wood dh windows with insulating glass throughout.
- New flush birch doors; solid core at unit entrances, hollow core within units.
- 2 new wood and glass entrances.
- Repair/renovate interior entrances.
- New basement wd. windows.
- New sliding glass doors at Unit #2.

## Finishes

- New gypsum wallboard throughout on walls and ceilings.
- Restore plaster bosses where possible.
- Sound deadening systems between units, around chases.
- Ceramic tile floors in bathrooms.
- Sheet vinyl floors in kitchens.
- Carpet throughout remainder of units.
- New wood flooring in stairs with rubber mat stair runners.
- Paint all interior surfaces.
- Paint all ext. wood trim at windows and doors.
- Restore marble flooring in entrances.

### Specialties

- Mailboxes for all units.
- Shower curtain rods, toilet specialties, towel rods, closet poles.

### Furnishings

- Roller shades on all unit windows.

### Plumbing

- New supply and drain lines throughout.
- Lavatory, toilet, tub in each bathroom.
- Kitchen sink at each unit.
- Gas supply for stoves/DHW/heating.
- Roof drains.
- DHW heaters for each unit.

### Equipment

- Gas or electric kitchen stove for each unit.
- Medicine cabinets in each bathroom.

### Heating

- Gas HW furnace for each unit.
- Baseboard HW radiation.
- Electric baseboard in stairways.

### Electrical

- New main electrical service and branch wiring.
- 100A submains for each unit.
- Outlets per code.
- Exhaust fan at each bathroom.
- Exhaust hood at each kitchen.
- Bathroom light fixtures.
- Hall/kitchen light fixtures.
- Overhead fixture in each room.
- Entrance/stairway light fixtures.
- Buzzer/intercom for each unit.
- Smoke detectors in stairways and each unit.

### Unclassified

- Telephone service for each unit.
- Fire alarm in common areas.

DEVELOPMENT COSTS

	FINAL APPL.
<b>AQUISITION</b>	
LAND & BUILDING	
TOT. AQU	125000
<b>CONSTRUCTION</b>	
REHAB	676000
SITE PREP	26000
ARCH/ENG	45000
CONSTR MG	25000
LEG/TITLE	35000
UTIL	3500
RE TAX	5000
INSUR	6000
SECURITY	6000
MKTING	4500
*LOAN FEES	29000
OTHER	10000
CL INT	74000
CONTING.	140000
DEV. O'HD	20000
OP RESRVE	20000
TOT CONST	1125000
<b>TOTAL DEVELOP COST</b>	<b>1250000</b>

**SOURCES OF FUNDS**

CONST:	CNST LOAN	900000
	SYND PROC	37000
	HRI	245000
	INTERPLAN	68000
	TOTAL-CNS	1250000
PERM:	LAND BANK	720000
	INTERPLAN	100000
	HRI	245000
	SYND PROC	74000
	BRIDGE	111000
	TOTAL-PMT	1250000

\* NOTE: Loan Fees include \$22,000 Land Bank Closing Fee and \$9,000 Construction Loan Closing Fee.

184-188 Harvard Street Construction Costs

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TOTALS BY DIVISION

General Conditions	22205
Unit Breakdown	581585
Concrete	5000
Masonry	22105
Metals	8500
Roof/Moisture Protection	24765
Doors & Windows	2280
Finishes	7000
Specialties	2560
TOTAL CONSTRUCTION COST	676000

RENT LEVELS AND OPERATING COSTS

HVDOPSPF

184-188 HARVARD STREET OPERATING PRO-FORMA  
(August 9, 1984)

## INCOME

	LOW INCOME UNITS*		MODERATE INC UNITS		MARKET RATE UNITS		TOTAL	
	NUMBER	RENT:\$/MO	NUMBER	RENT:\$/MO	NUMBER	RENT:\$/MO	NUMBER	RENT:\$/MO
1 BR	0		0		2	475	2	950
2 BR	0		1	490	0		1	490
3BR	6	682	2	564	6	682	14	9312
PARKING							9	315
MONTHLY GROSS INCOME								11067
ANNUAL GROSS INCOME								132804
VACANCY @5%								6640
EFFECTIVE GROSS INCOME								126164

## EXPENSES

MANAGEMENT/ADMIN	8200	40.20PUM
UTILITIES*	6120	30.00PUM
MAINTENANCE	7760	38.04PUM
INSURANCE	6000	29.41PUM
REAL ESTATE TAX	10200	50.00PUM
REPLACEMENT RES.	4250	20.83PUM
TOTAL ANNUAL EXP.	42530	208.48PUM
NET OPERATING INC.	83634	
DEBT SERVICE	79034	
CASH FLOW	4600	
DEBT SVCE COVERAGE	1.06	

\* All rents include hot water. Residents of low-income units pay 30% of income for total housing cost.

## DEVELOPMENT SCHEDULE

184-188 Harvard Street Development Schedule

- |                   |  |
|-------------------|--|
| August 15, 1984   | - Cambridge City Council Hearing                           |
| August 29, 1984   | - Mass. Government Land Bank Hearing                       |
| September 6, 1984 | - Mass. Government Land Bank decision<br>on Final Approval |
| October 15, 1984  | - Close Construction Loan                                  |
| November 1, 1984  | - Start Construction                                       |
| April 1, 1985     | - Finalize Resident Selection Plan                         |
| July 1, 1985      | - Start Rent-Up  |
| November 1, 1985  | - Complete Construction and Begin<br>Occupancy             |
| January 1, 1986   | - Full Occupancy   |

MARKETING & AFFORDABILITY

## MARKETING PLAN

### Market Rents in Area

180-184 Harvard Street is in the Neighborhood Four Section of Cambridge, an area where 88% of the housing units are occupied by renters. Except for owner-occupied, 1-3 unit structures and government owned and assisted housing, virtually all units are subject to Cambridge Rent control, which has been in effect since 1970.

The Median contract rent for the neighborhood in 1980 was \$142 per month, reflecting the large number of below market rent controlled units and the two public housing projects. However, in contrast, non-rent controlled apartments and even improved rent controlled units show rent levels substantially above the reported median. Examples of such properties include: Linwood Court, an MHFA financed 45 unit mixed income development on Broadway and Columbia Street; market rate units at Linwood Court are \$546-\$605 per month - there are no vacancies; 109-113 Webster Street is a privately owned, recently renovated wood frame apartment building containing 10 units (it is no longer subject to rent control), in 1983 the median rent for a 5 room apartment was \$625 per month; 205-211 Harvard Street, a 12 unit rent controlled property, four room apartments rent for \$396-\$466 and 5 rooms for \$503 - \$526 (Source:Cambridge Rent Control Board). Further west on Harvard Street numerous rent controlled apartments now have rents around \$500 per month for four room (1-2 bedrooms) and \$500-\$750 for five rooms (2-3 bedrooms). These properties include #329, #345, #351 and #375A Harvard Street (Source:Cambridge Rent Control Board).

Other rental developments worth considering are 808 Memorial Drive and 929 Massachusetts Avenue, both MHFA financed, containing a mix of market and subsidized units. The current rents for market rate units compare, as follows, with those projected for mid-1985 for 184-188 Harvard Street

Comparison of Market Rate Rentals

808 Memorial Dr. (1)    929 Mass. Ave. (2)    180-184 Harvard (3)

1 BR.	\$534.	\$550.	\$475.
2 BR.	\$660.	\$675-700.	-----
3 BR.	\$775.	\$800.	\$682.

(1) Includes heat and hot water.

(2) Includes heat and hot water.

(3) Includes hot water only.

Percent Market - Rate Units

	<u>Low/Moderate</u>	<u>Market</u>
808 Memorial Drive	45%	55%
929 Mass. Ave.	52%	48%
180-184 Harvard Street	53%	47%

Affordability of Units  
(Based on a 30% Rent-Income Ratio)

	<u>Low</u> <sup>1</sup> (6)	<u>Moderate</u> <sup>2</sup> (3)	<u>Market</u> (8)
1 Bedroom	---	----	\$19,000
2 Bedrooms	---	\$19,600.	-----
3 Bedrooms	CHA	\$22,560.	\$27,280.

- (1) 6-units will be leased under Section 8 to the Cambridge Housing Authority for occupancy by low-income families who pay 30% of their income for rent. Low-income is currently defined by HUD as 50% of the median income for the Boston Area. For a family of 4, this is \$16,150.
- (2) Moderate-income is defined as 50% -80% of median income. For a family of four this is \$16,150 - \$25,850.

TENANT SELECTION

Tenant Selection Plan and Method to Insure Conformance with Stipulation of 30% Low or Moderate Income Tenants

A. Planning

A resident selection plan will be developed which will give priority to neighborhood residents and other targeted groups. The format will be developed by Homeowner's Rehab, Inc. and its managing agent, and will represent HRI's best efforts to implement the recommendations of a Project Committee, within the constraints of applicable regulations and law, housing need, and sound management practice. The Project Committee will include representative community members, members of HRI's staff or Board and representatives of the City of Cambridge Community Development Department.

Homeowner's Rehab, Inc. has recently worked closely with neighborhood residents and the Cambridge Community Development Department to design and implement a neighborhood selection process for an 8-unit townhouse development in the immediate neighborhood. See above for additional detail.

Conformance to the low and moderate-income tenant stipulation will be met by a 15-year leasing agreement for six units with the Cambridge Housing Authority (CHA) under the Section 8 Moderate Rehab Program (see attached CHA letter), as well as by offering three additional units at rents affordable to families whose income is below 80% of the SMSA median.

B. Implementation

The marketing and rent-up strategy will be managed by OKM Associates. OKM has successfully used rent-up strategies in several other rental and cooperative projects where the selection must meet certain community objectives, yet the privacy and confidentiality of the individual applicants must be protected. OKM affirms that this marketing program -- as well as all its marketing activities -- will be conducted in full compliance with HUD and Cambridge requirements for non-discrimination and affirmative action.

Homeowners Rehab will also initiate a community outreach and advertising program designed to give all Cambridge residents, particularly those within the target area, the opportunity to apply. This outreach program will include announcements at community meetings, advertisements in Cambridge and neighborhood papers, and leafletting in the target area.

Applications will be taken by OKM Associates, either by mail or at its office. The application will be specially developed by OKM in conjunction with Homeowners Rehab to ensure that all relevant information is collected. OKM will review each application, check personal and financial references, conduct personal interviews, and score all applicants according to the approved priority system.

Although OKM will accept both Section 8 and non-Section 8 applicants via this neighborhood marketing effort, the Section 8 units must be marketed along a separate track as well. OKM and the project sponsors will work closely with the Cambridge Housing Authority to advertise the availability of the units to Section 8 certificate holders as they are certified or recertified by CHA.

When Section 8 applicants apply, they will undergo the same application process, credit and personal reference check, and priority scoring system as market applicants. The sole difference is that the financial capability analysis will be conducted assuming the applicant will have the Section 8 assistance.

When all applicants have been evaluated, OKM will select 17 applicants on the basis of their evaluation scores, references, and date of application. OKM will submit to the Owner a list of the 17 recommended members, and several alternatives will be available if the Owner decides to reject any of the applicants for cause. To protect the confidentiality of information provided by the applicants, no information will be submitted to the co-op on the non-selected applicants.

After rent-up, OKM will maintain a waiting list of applicants should units become available.

## MANAGEMENT

## MANAGEMENT PLAN

184-188 HARVARD STREET, CAMBRIDGE

### OVERVIEW

OKM Associates, Inc. is a full-service housing firm involved in property management, development, research, and consulting in both the private and public sectors. The principals of OKM have combined property management experience of over thirty years, and have been extensively involved in the condominium field for nearly ten years as developers, marketing agents, managers, unit owners, and Trustees of their own Associations. OKM also has an ongoing in-house construction capability.

Condominium, cooperative and rental owners have chosen to utilize OKM's management services because the firm is committed to being accessible, willing to work closely with Trustees, and knowledgeable about property management. As a mid-sized firm, OKM combines the capability of providing all relevant property and financial services in an efficient and timely manner with a high degree of personal attention from a corporate principal. OKM principals and staff understand and appreciate the various lifestyles associated with different types of housing. Personal attention, sensitivity, and a proven track record of providing management services, have contributed to OKM's success in property management.

### SCOPE OF SERVICES

The services outlined below are a selected list of responsibilities which OKM typically assumes at the direction of the Board of Trustees or Owner/s. Tasks can be added or deleted on the instructions of the property owner. Specifically, OKM typically will:

- 1) Provide ongoing routine and emergency fiscal and maintenance services efficiently and effectively.
- 2) Review and analyze at regular intervals the condition of existing physical systems in order to properly identify and assist in planning for capital improvements.
- 3) Monitor, supervise and evaluate the performance of all maintenance personnel and individual contractors.
- 4) Supervision of all property maintenance, repairs, replacement and operations.
- 5) Preparation and execution of contractual obligations as authorized.

- 6) Analysis of existing property conditions and recommendations for capital improvements schedule.
- 7) Supervision of all full and part-time employees.
- 8) 24-hour coverage by a principal as well as by relevant maintenance personnel.
- 9) Securing of competitive bids (i.e., fuel, insurance, system replacements).
- 10) Preparation of annual budget and establishment of maintenance fees, cooperative fees or rents.
- 11) Collection of monthly fees and all attendant recordkeeping.
- 12) Establishment and operation of necessary bank and checking accounts.
- 13) Payment of all bills and obligations as authorized.
- 14) Preparation of monthly financial reports.
- 15) Preparation of year-end statement.
- 16) Attendance at regular owner/trustee meetings.
- 17) Assistance in handling specific financial, insurance, tax, and municipal matters as authorized.
- 18) Preparation, filing and monitoring of all HUD reports where applicable.

#### OKM PROCEDURES AND POLICIES

OKM Associates, Inc. operates on a project-level system for property management. One experienced property manager is assigned overall responsibility for a given project, but the manager has ongoing back-up from our office and field support staff. Depending on the size and nature of the complex, a typical manager handles three to six properties ranging from 150-300 units.

This manager is responsible for overseeing the implementing of all service listed above. The manager will monitor calls from the property, oversee maintenance personnel, supervise contractors, monitor financial status of the property, and generally provide or supervise all activities conducted for the property. In addition, this manager will regularly inspect the project, and will attend meetings with the Board or owners as requested.

To handle emergency calls outside of normal business hours, OKM has a professional manager and maintenance personnel who are on call 24 hours a day. We also have contractors in all trades who will respond on an emergency call basis. It is our belief that property management decisions are frequently necessary which require judgement and a level of sophistication beyond that of a maintenance person. Our professional staff is equipped to handle these emergency situations on a timely basis.

### Maintenance

The maintenance/work order system used in our company requires that all maintenance calls come into our central office. This is essential for us to monitor the volume of maintenance problems, to deploy our maintenance staff efficiently, to ensure that each call receives a response, and to control costs of repairs. On evenings, weekends and holidays, we maintain a 24 hour answering service. All emergency calls are referred to the OKM Manager on call who then determines how the problem will be handled and to whom responsibility will be assigned. This Manager is then responsible for tracking the progress of the situation until the regular property manager is back on duty.

### Fiscal Management

OKM will assume primary responsibility for financial operations of the property. We have recently introduced a computerized financial management system with specially designed software to handle the different needs of rental, cooperative and condominium projects. This has furthered our ability to provide an excellent combination of accurate, comprehensive and timely financial information in a format most useful to Owners.

We have a centralized accounting staff that will manage the accounts of all properties. Payments of bills are made centrally with the review and approval by the property manager and one of the OKM principals.

### Administrative Services

Our computerized word processing and recordkeeping system has enabled us to optimize the efficiency with which we can provide administrative services. All owner information -- such as beneficial interest, share distribution, phone numbers, or license plates -- is readily available and updated on a regular basis. OKM's administrative tasks include providing welcoming information for new owners, typing monthly meeting notes, filing any necessary municipal forms and assisting in the preparation of paperwork necessary for resales or re-rents.

## RESUMES

HOMEOWNER'S REHAB, INC.  
678 Massachusetts Avenue  
Room 206  
Cambridge, Massachusetts 02139  
868-4858

HOMEOWNER'S REHAB, INC.  
SUMMARY OF DEVELOPMENT/CONTRACTING QUALIFICATIONS

Background

Homeowner's Rehab, Inc. (HRI) is a community-based, non-profit corporation which has been providing homeownership opportunities in Cambridge, Massachusetts for over ten years. Acting as both developer and general contractor, HRI has enabled low and moderate income families to attain and to continue homeownership through several successful programs.

The Work Equity Program enables first-time homeowners to substitute their labor for a cash down-payment in a managed "sweat equity" program. The Work Equity Program features careful selection of buyers and intensive training and supervision to assure successful completion of quality rehabilitation. In this program, HRI acts as both developer and general contractor, arranging construction financing through local banks. Recently, this program has added a new-construction component, described briefly below under Accomplishments.

The Home Improvement Program (HIP) provides technical and financial assistance to existing homeowners whose resources do not permit adequate maintenance. Focusing on code- and energy-related problems, HRI provides inspection, work write-ups, cost estimating, selection of contractors, supervision of work and processing of payments. Grants and loans are also provided, using Community Development Block Grant funds.

Recently, HRI was selected to administer a new multi-family rehabilitation program - Cambridge Neighborhood Apartment Housing Services, Inc. (NAHS). This program will function similarly to the HIP program, except that occupied, small multi-family buildings will be assisted. In addition, a strong tenant participation component is built into the NAHS program.

Accomplishments

The Work Equity Program has completed 78 units in 43 buildings, for an aggregate development cost of over \$1,300,000. Eight townhouses are under construction and a 2-unit house is in the final stages of rehabilitation, for a total of \$518,000 of current construction. These two current projects are each within several blocks of the proposed development.

In 1974, HRI developed the first low-income condominium in the Commonwealth. This 8-unit condominium is still successfully serving the original long-term Cambridge residents for whom it was developed. The condominium project, the new-construction townhouses and a 12-unit townhouse rehabilitation project completed in North Cambridge in 1980 amply demonstrate HRI's capacity to undertake development and construction of a project of the scale proposed.

A large fraction of HRI's activity has been in the project neighborhood. In the Work Equity Program, 41 units, including both projects currently under construction, are in the project area. In the past three years, the HIP program has assisted rehabilitation valued at \$450,000 within the project area. The proposed project's stability, value and community support will be enhanced by these prior activities.

### Capabilities

The primary resources of HRI consist of the individuals who form its Board of Directors and staff. HRI's Board reflects both the public and private sectors; community residents and businesses; and both producers and consumers of housing. HRI's staff represents over 25 years of construction activity, as well as housing management and multi-family financial analysis capability. A list of HRI's Board of Directors and brief resumes of HRI's key staff are attached, along with a recent financial statement.

Officers

President

C. Brendan Noonan (WE)  
Gallery of Homes  
323 Broadway  
Cambridge, MA 02139

Vice President/Clerk

John Maddalo (WE/HIP)  
117 Thorndike St.  
Cambridge MA 02141

Treasurer

Harry L. Johnson 2nd  
41 Waverly Street  
Brookline, MA 02146

Other Directors

Richard Boonisar  
Shawmut County Bank  
515 Massachusetts Ave.  
Cambridge, MA 02139

Roy Charles (WE)  
123 Fayerweather Street  
Cambridge, MA 02138

Marie Christofaro (HIP)  
20 Kelly Road  
Cambridge, MA 02139

Leonard Coipel (WE)  
235 Broadway  
Cambridge, MA 02139

Camilla Costain (WE)  
34 Williams St.  
Cambridge MA 02139

Kenneth Daly (WE)  
72 Sciarappa St.  
Cambridge MA 02141

Lillian Denkewicz (HIP)  
293 Broadway  
Cambridge, MA 02139

William H. Downey  
U.S. Trust-Charlesbank  
124 Broadway  
Cambridge, MA 02142

Louise Elving (WE)  
46 Cottage Street  
Cambridge, MA 02139

C. Lansing Fair  
5 Berkeley Place  
Cambridge, MA 02138

Oliver Farnum (HIP)  
24 Callender St.  
Cambridge, MA 02139

Mel Gadd  
43 Cottage St.  
Cambridge, MA 02139

Rolf Goetze  
129 Leonard St.  
Belmont, MA 02178

Henry Joseph  
5 Florence St.  
Cambridge, MA 02139

John Robinson (HIP)  
128 Cherry St.  
Cambridge MA 02139

James Henry Quinn (HIP)  
2280 Massachusetts Ave.  
Cambridge, MA 02140

Charles Sullivan (HIP)  
37 Cogswell Ave.  
Cambridge, MA 02140

---

Note: WE, HIP denote Work  
Equity and Home Improve-  
ment Advisory Committees,  
respectively

INTERPLAN DEVELOPMENT CORPORATION  
SUMMARY OF DEVELOPMENT/ARCHITECTURAL QUALIFICATIONS

Background

Interplan Development Corporation (IDC) is a recently formed real estate development company owned and operated by the Shareholders and Principals of Steffian Bradley Associates, Incorporated (SBA), a Boston based architectural firm. IDC was formed as a logical extension of Steffian Bradley's work and affiliations with the development community.

IDC intends to develop high quality housing at the lowest possible cost, with a special interest in renovating architecturally interesting and historic buildings.

IDC, with the support of Steffian Bradley Associates, Incorporated, is eminently qualified both with respect to its architectural design and its financial capabilities to carry out successful development projects.

Accomplishments

Steffian Bradley Associates, Incorporated and its Principals are well known and respected in the fields of architecture and planning in the New England area. In the field of housing, the company has been involved in projects ranging from low-rise multi-family dwellings to single family row houses and high-rise towers. Recent projects involving new construction in which the company has been involved include Exeter Towers, a \$3,200,000 project in Boston's Back Bay historic district, and the Devonshire, a \$45,000,000 multi-use highrise building in downtown Boston. The firm also has considerable experience in rehabilitation of existing structures for housing purposes. Recent rehabilitation projects include The Schoolyard, a \$2,200,000 adaptive reuse project in Wayland, Massachusetts, The Fabens Building, a \$1,350,000 National Register project in Lynn, Massachusetts and Andover Commons, a \$6,000,000 mill reuse project in Andover, Massachusetts.

David M. Buckley AIA  
Otakar Dvorak AIA  
Robert Fondren AIA  
Kurt A. Rockstroh AIA  
Peter Steffian AIA

## GENERAL BACKGROUND

Steffian Bradley Associates, Inc. is an organization of registered Architects and other professionally trained personnel engaged in the general practice of architecture and planning.

Established in 1932, incorporated in 1965, our practice has included a wide variety of building types, with concentration during the past five years on commercial and research and development buildings; multi-family housing; recreational, hotel, and medical facility planning and design; and other large multi-use urban projects. We have been fortunate in having a great deal of expertise in the areas of historic preservation, existing building renovation and reuse, and in developer related projects involving private and federal funding.

Our services cover the entire project from inception to completion. We prefer to be involved in the earliest stages of a project, including site selection, programming, and preliminary design. We rely on our in-house architectural staff for the execution of construction drawings and specifications; and we employ consultants for the specialized engineering fields of structural, electrical, plumbing and air handling systems. Our services may further include construction cost estimating, engineering evaluations of alternative construction materials and methods, and alternative energy systems.

Steffian Bradley Associates employs thirty-eight individuals, of which thirty-four are architecturally trained. Eleven of our staff are fully registered and licensed architects, capable of full professional practice. The firm and its principals are members of, and support the codes and standards of, the American Institute of Architects.

In addition to our basic architectural services, we are pleased to offer landscape design and complete interior design and planning services, including material and finish specifications, furnishings and equipment specifications, and special graphics, signage, and fine art design and selections. We believe that the combination of architectural, interior design and landscape services within the same firm leads to a quality product for the Owner.

BACKGROUND

Rehabilitation, Adaptive Reuse,  
and Historic Preservation Projects

David M. Buckley AIA  
Otakar Dvorak AIA  
Robert Fondren AIA  
Kurt A. Rockstroh AIA  
Peter Steffian AIA

Steffian Bradley Associates has substantial experience in the rehabilitation and adaptive reuse of historic buildings. Examples of the array of completed projects by the firm include: The Florence Mill in Vernon, CT, The Polish National Home in Chicopee, MA and the Fabens Building in Lynn, MA all of which were converted into housing for the elderly with community and/or commercial space. The Fabens Building is located in a Neighborhood Strategy Area necessitating that its design meet strict local guidelines, conform with the historic district, and undergo review by the Massachusetts Historical Commission. The firm is also the architect for the adaptive reuse of the Moshassuck Square Arcade, located in the Moshassuck Square District of Providence, RI, into a health care facility for the Rhode Island Group Health Association.

The firm has also successfully addressed the complex issues of designing new buildings within historic districts. In designing Exeter Towers, a nine-story luxury apartment/retail building at the corner of Newbury and Exeter Streets in Boston's Back Bay Historic District, the architect worked closely with the Massachusetts Historical Commission and the Back Bay Neighborhood Association to gain approval of the project's conformance to the character of the district. Recently completed, the Sugar River Mills housing development is a pilot project intended to stimulate revitalization of Claremont, NH's historic industrial district. The design for adaptive reuse of a warehouse and grist mill, rehabilitation of a stone double tenement, and construction of new family townhouses, were reviewed and approved by the New Hampshire Historical Commission and the Advisory Council on Historic Preservation, among other federal and local agencies involved in the project.

The firm has recently dealt with the issues of public access and views to the waterfront in the design of Tuck Point, a luxury condominium development under construction on the Beverly, MA waterfront. The height, scale and placement of the buildings were carefully considered to preserve views of the waterfront for the neighborhood across from the Tuck Point site. After negotiations with the City and state agencies, as well as a local citizen's group, a plan to resolve the complexities of providing public access to the waterfront in a private residential location has been accepted.

Steffian Bradley Associates has recently completed the masterplan for development of West Mountain in Glens Falls, NY. The program for this recreational complex includes: 150 condominium units, a 150 room hotel and conference center plus 20,000 sq. ft. of retail and shopping space. Financing for the project has been obtained on the basis of the masterplan. The firm is also currently providing design services for a 200 room hotel and conference center in Methuen, MA.

Steffian

Bradley

Associates

66 Canal Street Boston, MA 02114 617 227 6520

David M. Buckley AIA  
 Otakar Dvorak AIA  
 Robert Fondren AIA  
 Kurt A. Rockstroh AIA  
 Peter Steffian AIA

**REHABILITATION, ADAPTIVE REUSE AND  
 HISTORIC PRESERVATION PROJECTS**

October 1983

HOUSINGOak Park, Lewiston, Maine

Conversion of a 4 story warehouse building into 91 units of housing for the elderly.

\$1,800,000

Completed - 1979

Florence Mill, Vernon, Connecticut

114 units of elderly housing in a renovated U.S. Envelope mill which is listed on the National Register of Historic Places.

\$3,000,000

Completed - 1980

Robinson Cuticura Mill, Malden, Massachusetts

91 units of elderly, handicapped and family housing in an historically significant mill.

\$3,600,000

Completed - 1980

PNA Central Annex & Berkshire Hotel, Pittsfield, Massachusetts

An architecturally significant school and the Berkshire Hotel were converted to provide 101 units of elderly, handicapped and family housing. In conjunction with Barry Architects.

\$3,300,000

Completed - 1981

Polish National Home, Chicopee, Massachusetts

7,000 square feet of commercial and 50 units of elderly housing in the adaptive reuse of building listed on the National Register of Historic Places.

\$1,700,000

Completed - 1981

Fabens Building, Lynn, Massachusetts

Renovation of building listed on the National Register of Historic Places to provide 37 units of elderly housing and 5,000 sq.ft. of commercial space.

\$1,350,000

Completed - 1981

On Lok Congregate Housing, Boston, Massachusetts

28 units of congregate housing in a rehabilitated hotel.

\$1,100,000

Completed - 1982

The Schoolyard, Wayland, Massachusetts

Adaptive reuse of, and addition to, an old school to provide 56 units of elderly housing in a turnkey to the Wayland Housing Authority.

\$2,200,000

Completed - 1982

Andover Commons, Andover, Massachusetts

167 units of elderly and family housing in the reuse of a mill and power plant.

\$6,000,000

Completed - 1982

Sugar River Mills, Claremont, New Hampshire

123 units of elderly housing in the adaptive reuse of a warehouse and grist mill, plus 4 units of family housing in a rehabilitated stone residence, located in an historic district.

\$4,300,000

Completed - 1982

Villa Nueva Vista, Springfield, Massachusetts

Rehabilitation of 5 residential buildings to provide 54 units of handicapped, elderly and family housing.

\$2,280,000

Completed - 1982

Cumberland Village, Springfield, Massachusetts

Rehabilitation of 8 residential buildings to provide 76 units of handicapped and market rate housing.

\$2,700,000

Completed - 1982

The Chandlery, Middletown, Connecticut

The former Wilcox & Crittendon Co. Marine Supply Mill is currently undergoing renovation into 40 condominium units, ranging in size from one-bedroom lofts to two-bedroom duplexes.

\$2,500,000

Projected completion - early 1984

MEDICAL

Moshassuck Square Arcade

Rhode Island Group Health Association, Providence, Rhode Island  
Award winning conversion of mill building listed on the National Register of Historic Places into 50,000 sq.ft. ambulatory care health maintenance organization.

\$840,000

Completed - 1978

Kenmore Center

Harvard Community Health Plan, Boston, Massachusetts

Adaptive reuse of warehouse for 70,000 sq.ft. health care center and parking facility. Full range medical services for 50,000 health plan members is provided on the top 3 floors with patient parking on 3 lower levels.

\$7,000,000

Completed - 1979

Lowry Medical Office Building

New England Deaconess Hospital, Boston, Massachusetts

Demolition of one and one-half floors of existing hotel rooms and reconstruction of approximately 13,860 sq.ft. of medical consultation and outpatient examination rooms for hospital based physicians.

\$700,000

Completed - 1981

OFFICE AND COMMERCIAL

Management Offices

Harvard Community Health Plan, Boston, Massachusetts

The top two floors of an existing warehouse were rehabilitated for the Health Plan's Management Offices, while the first floor was recycled as employee parking.

\$1,500,000

Completed - 1979

Constitution Landing, Boston, Massachusetts

Plans to convert a handsome garage/warehouse into luxury condominium office space include the addition of three new floors with roof decks and complete interior renovation of the existing four story building.

\$2,000,000

Design Completed - 1981

Svea Soner Building, Rockford, Illinois

The Illinois Historic Sites Advisory Council approved and recommended National Register nomination documents prepared by the architect for this historically significant building. Built in 1893 it is scheduled for renovation to prime office space above ground level commercial space.

Approximate Cost \$1,200,000

Design Completed - 1981

EDUCATIONAL

College of Basic Studies

Boston University, Boston, Massachusetts

The adaptive reuse of an industrial plant as complete academic and administrative facilities for a team-teaching program was achieved by renovating four existing floors and adding a fifth. The completed facility contains 100,000 sq.ft. of classroom and office space including a 650-seat auditorium, two 140-seat lecture halls and laboratories for the natural sciences.

\$1,800,000

Completed - 1966

EXHIBITS

A. PRELIMINARY FINANCING APPROVAL BY  
MASSACHUSETTS GOVERNMENT LAND BANK

12/8/83  
RECEIVED

The Massachusetts Government Land Bank  
Six Beacon Street, Suite 900 Boston Massachusetts 02108 (617) 727-8257

6 December 1983

LAND  
BANK

Michael Rosenberg  
Community Development Department  
57 Inman Street  
Cambridge, Massachusetts 02139

Re: The Fogerty Building, Cambridge  
Interplan Development Corporation/Homeowners' Rehab

Dear Mr. Rosenberg,

Please be advised that the Board of Directors has voted to grant Preliminary Approval to the Fogerty Building Project at their meeting on December 1, 1983. Preliminary Approval is in effect for 90 days.

In the next 90 days, we shall need to assemble the final application (Redevelopment Plan), and conduct the required hearings on it. The Redevelopment Plan will essentially be constituted by information in the Preliminary Application revised and supplemented according to the terms and conditions set forth by the Board. Those are as follows:

1. Structuring of acquisition cost and soft cost budget acceptable to the Land Bank;
2. Firm commitment of Block Grant funds in the amount of \$200,000;
3. Firm commitment of a construction loan on terms acceptable to the Land Bank;
4. Approval of syndication package, and syndication in place;
5. Cambridge Housing Authority agreement for leasing six 3-bedroom Section 8 units in place;
6. The operation of the project must be structured as rental and not cooperative housing for the 15 years of bond financing, in response to requirements defined by bond counsel; and
7. Approval of the Redevelopment Plan and Blight Finding by the City must be obtained.

William F. McCall Jr.  
Chairman

Carolyn P. Partan  
Vice Chairman

Lawrence C. Sullivan  
Secretary

Alfred W. Archibald  
H. James Brown

Rev. Frank J. Parker

Richard W. Reynolds

Edward C. Maher

Frank T. Keefe

ex officio

Amy S. Anthony

ex officio

Jeffrey A. Simon

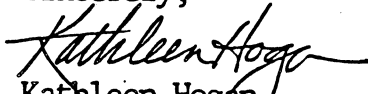
Executive Director

Michael Rosenberg  
6 December 1983

Page 2

I am looking forward to getting together with you and the project developers next week to establish a schedule for pulling all of the necessary pieces together. We at the Land Bank are very excited about this project, and look forward to a productive working relationship.

Sincerely,

  
Kathleen Hogan  
Project Manager

cc: Peter Steffian, Interplan Development Corp.  
Vincent C'Donnell, Homeowner's Rehab

B. LAND BANK RENT RESTRICTIONS

1 August 1984



To: Vince O'Donnell, Homeowners' Rehab, Inc.  
Peter Steffian, Interplan Development Corp.

From: David S. Knisely, General Counsel to the Land Bank

Re: Fogerty Building - Rent Restrictions

The Fogerty Building project is expected to be part of a demonstration package of housing projects to be financed with Massachusetts General Obligation Bonds used as Land Bank housing revenue bonds. Because of the use of G.O. bonds, the State Treasurer and bond counsel are particularly concerned that provisions regarding the rent restrictions (which affect the non-taxable nature of the bonds) be strictly enforced. Default on the use of these bonds can affect the overall bond rating of the Commonwealth at large.

Rent restrictions on the Fogerty Building, should it receive Final Approval, will be as follows:

1. a minimum of 30% of the units shall be rented to households of low and moderate incomes (no more than 80% of SMSA median income);
2. the first year mixed rent schedule for the total units, as specified in the Final Application/Redevelopment Plan, must be implemented as specified;
3. annual rent increases for no more than 5% will be allowed by right at the discretion of the owner; any increases over 5% must be approved by the Land Bank, based on actual operating expense increases;
4. the project must remain a rental project subject to rent restrictions for at least 10 years or for the term of the mortgage;
5. administration and enforcement of the mortgage and rent restrictions will be through the Massachusetts Housing Finance Agency (MHFA).

To strengthen the enforceability of rent restrictions that affect bond taxability, the Treasurer is further requiring that the restrictions be part of a Regulatory Agreement that is not a mortgage covenant, but a covenant running with the land; therefore the restrictions will remain in effect even if the mortgage is prepaid.

Mr. E. J. Call Jr.  
Chairman  
Mr. P. P. Parlan  
Chairman  
Mr. C. Sullivan  
Secretary  
Mr. Archibald  
Mr. J. Brown  
Mr. J. Parker  
Mr. J. Reardon  
Mr. J. O. Maner  
Mr. T. Keefe  
Mr. J. O. Maner  
Mr. J. O. Maner  
Mr. J. O. Maner  
Mr. J. O. Maner

Mr. A. Simon  
Executive Director



Vince O'Donnell  
Peter Steffian

1 August 1984

Page two

The final language of the Regulatory Agreement to be employed on these projects is now being prepared by State Bond Counsel for the Treasurer's approval. We expect this document to be provided to us at any time now, and it will be passed on to you as soon as it is available.

These restrictions are particularly stringent, but we do not think they should adversely affect your project as proposed. We hope that you appreciate the risk to the Commonwealth in allowing the demonstration use of G.O. bonds in this fashion, and the Treasurer's need for special security through covenants. It is clear that without this special financing, the Fogerty Building project would not be feasible. We will do all we can to ensure that this high public benefit project proceed smoothly to implementation.

cc: Michael Rosenberg, City of Cambridge  
Kathleen Hogan, Land Bank Director of Projects

C. LEGAL OPINION ON COOPERATIVE CONVERSION

FEB 1 1984

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

One Center Plaza  
Boston, Massachusetts 02106

825 Eye Street, N.W.  
Washington, D.C. 20006  
Telephone: 202/293-0500  
Telecopier: 202/466-5479

Telephone: 617/742-5800  
Cable: COLEMIN  
Telex: 94-0198  
Telecopier: 617/227-6158

January 31, 1984

Mr. David Knicely  
The Massachusetts Government Land Bank  
Six Beacon Street, Suite 900  
Boston, MA 02108

RE: Housing Competition - Cooperatives

Dear David:

In our discussions of the Land Bank's housing competition, you inquired as to whether housing cooperatives could be financed through issuance of bonds under the multi-family rental housing exemption found in Section 103(b)(4)(A) of the Internal Revenue Code.

As we explained, Treasury Regulations, Section 1.103-8(b)(9), Example(3), provides that financing for a cooperative housing project owned by a cooperative housing corporation fails to qualify for the Section 103(b)(4)(A) exemption. In addition, Section 6.103(A)-2(d)(4) of the Regulations indicates that the term "residence" includes stock held by a tenant-stockholder in a cooperative housing corporation, as defined in Section 216(b)(1) and (2) of the Code. The latter conclusion means that such coops may be financed on a tax-exempt basis only under the rules for so-called "mortgage subsidy bonds." As you know, even assuming that the currently lapsed authorization for such bonds is renewed by Congress, such bonds are subject to a state-by-state volume limit which, in the Commonwealth, has been entirely allocated to the MHFA.

The rules provided under the cited Regulations generally are appropriate because most cooperatives produce a result which, in an economic sense, is similar to single family home ownership. Section 216 of the Code, the subject of the cross-reference in Section 6.103A-2(d)(4) of the Regulations, in fact, provides for a pass through of tax treatment so that a typical coop owner will be treated the same as a condominium owner. However, under certain circumstances, the fact that an ownership interest is held by a tenant-owned corporation may not produce a result similar to home ownership. In that situation, we believe that it should be possible to rely upon the multi-family rental housing

Mr. David Knicely  
January 31, 1984  
Page 2

exemption. The Internal Revenue Service appears to agree with this conclusion, as evidenced by its position in at least one private letter ruling (LTR 8339094).

In particular, we believe that the multi-family rental housing exemption should be available where, in addition to satisfying all the normal rules under Section 103(b)(4)(A) and the regulations thereunder, the project satisfies the following conditions. First, the cooperative housing corporation does not satisfy the requirements of Code Section 216 so that tax attributes of ownership do not pass through to shareholder-occupants. Second, tenants are chosen under normal rental procedures, which satisfy the "public use" test of Regulations, Section 1.103-8(a)(2), and become stockholders in the corporation as a result of their being selected as tenants, rather than vice versa. Third, any consideration paid by a tenant for stock is nominal in amount and unrelated to the value of the rental unit to be occupied. Fourth, the disposition of an interest in the cooperative corporation does not result in a sharing of equity appreciation by the disposing stockholder, although a reasonable "interest" factor could be added to any nominal "equity" investment which is being repaid upon such disposition. (This is not to say that shareholder-occupants could not share in equity appreciation upon a sale or refinancing of the property). Finally, the project is operated in other respects like ordinary rental housing.

The above comments are intentionally general, and we would like to consult with you before even tentative approvals are given to any such projects. Also, obviously, any future transaction will depend upon a resolution of the state law questions which we have discussed and of the questions raised by H.R. 4170, now pending in Congress.

Please contact me if you wish to discuss these matters further.

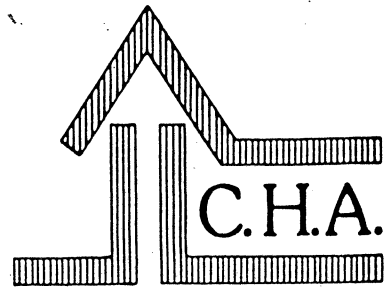
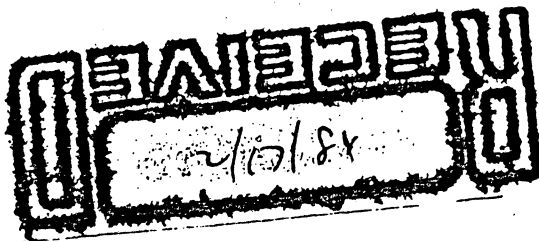
Yours truly,

Maxwell D. Solet

MDS:em

cc: Howard E. Cohen  
John R. Regier  
David S. Crane

D. C.H.A. SECTION 8 COMMITMENT



CAMBRIDGE HOUSING AUTHORITY

C A M B R I D G E  
M A S S A C H U S E T T S  
02139  
(617) 864-3020

February 17, 1984

Mr. Vincent O'Donnell  
Executive Director  
Homeowners Rehab, Inc.  
678 Massachusetts Avenue, Room 203  
Cambridge, MA 02139

Dear Mr. O'Donnell:

Thank you for your proposal seeking participation in the Section 8 Moderate Rehabilitation Program.

Based on a preliminary review, it appears that your proposal is eligible for consideration. As a matter of fact, your proposal scored the highest priority in our system of judging proposals.

I will be in touch with you soon to discuss the necessary steps that must be taken to meet the procedural requirements of the Program.

I appreciate your interest in the Program, and look forward to working with you on this project. Please call me if you have any questions.

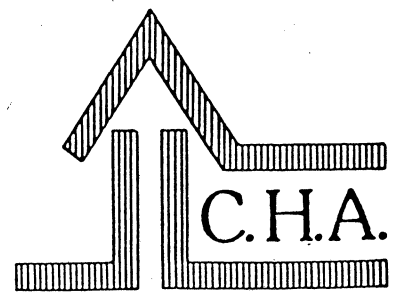
Sincerely,

Robert P. Costa  
Program Representative

RPC:ts

cc: Michael Rosenberg

CAMBRIDGE HOUSING AUTHORITY



C A M B R I D G E  
M A S S A C H U S E T T S  
02139  
(617) 864-3020

May 14, 1984

Mr. Vincent O'Donnell  
Executive Director  
Homeowners Rehab., Inc.  
678 Mass. Ave.  
Cambridge, MA. 02139

RE: Section 8 Moderate Rehabilitation Rent Subsidies for 184-188 Harvard St.

Dear Vince,

One of the next steps, prior to your receiving a commitment of Section 8 Moderate Rehabilitation rental subsidies from the CHA, is to determine initial contract rents. In order for me to complete this I would need some further information.

Would you please provide me with the following:

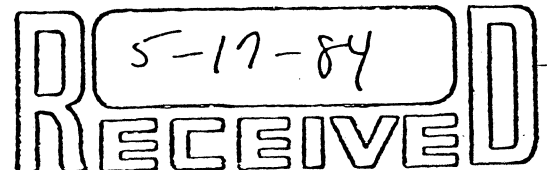
- 1) Deed of Ownership
- 2) Work write-ups, specifications and cost estimates
- 3) Verification of financing commitment
- 4) Name of contractor (s) selected and bids from them

I appreciate your cooperation in this matter and look forward to hearing from you soon.

Sincerely,

Robert P. Costa  
Program Representative

RPC/dd





# City of Cambridge

AMENDED

AGENDA ITEM #14  
IN CITY COUNCIL

August 15, 1984

AN ORDER APPROVING THE REDEVELOPMENT PLAN FOR 184-188 HARVARD STREET TO BE SUBMITTED TO THE MASSACHUSETTS GOVERNMENT LAND BANK FOR FINANCIAL ASSISTANCE.

- WHEREAS: The proposed redevelopment of 184-188 Harvard Street will rehabilitate a vacant, fire-damaged, and deteriorating building, eliminating a blighting influence in the neighborhood; and
- WHEREAS: The proposed redevelopment will result in the creation of seventeen needed rental units of housing for low, moderate and middle income families; and
- WHEREAS: The financing of this project will be assisted by the Massachusetts Government Land Bank; and
- WHEREAS: The City must make a declaration of support for the redevelopment as proposed; now therefore be it
- ORDERED: That the Cambridge City Council approves the redevelopment plan for 184-188 Harvard Street as proposed; and be it further
- ORDERED: That the City Manager be and hereby is requested to instruct the Assistant City Manager for Community Development to pursue the possibility of securing additional "Section 8" leases for the mixed-use development at the property located at 184-188 Harvard Street, with the view in mind of providing as many units as possible to low and moderate income residents; and be it further
- ORDERED: That the City Manager be and hereby is requested to instruct the Assistant City Manager for Community Development to pursue with the developer the possibility of skewing the rents at the proposed mixed-use development at the property located at 184-188 Harvard Street, in order to make more units available to low and moderate income tenants.

In City Council August 15, 1984.  
Adopted as amended by a yea and nay vote:-  
Yeas 7; Nays 1; Absent 1.  
Attest:- Paul E. Healy, City Clerk.

A true copy;  
ATTEST:-

*Paul E. Healy*



# City of Cambridge

AMENDED

AGENDA ITEM #14  
IN CITY COUNCIL

August 15, 1984

AN ORDER APPROVING THE REDEVELOPMENT PLAN FOR 184-188 HARVARD STREET TO BE SUBMITTED TO THE MASSACHUSETTS GOVERNMENT LAND BANK FOR FINANCIAL ASSISTANCE.

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In City Council August 15, 1984.

Adopted as amended by a yea and nay vote:-

Yeas 7; Nays 1; Absent 1.

Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-

*Paul E. Healy*



# City of Cambridge

AMENDED

AGENDA ITEM #14  
IN CITY COUNCIL

August 15, 1984

AN ORDER APPROVING THE REDEVELOPMENT PLAN FOR 184-188 HARVARD STREET TO BE SUBMITTED TO THE MASSACHUSETTS GOVERNMENT LAND BANK FOR FINANCIAL ASSISTANCE.

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- WHEREAS: The proposed redevelopment will result in the creation of seventeen needed rental units of housing for low, moderate and middle income families; and
- WHEREAS: The financing of this project will be assisted by the Massachusetts Government Land Bank; and
- WHEREAS: The City must make a declaration of support for the redevelopment as proposed; now therefore be it
- ORDERED: That the Cambridge City Council approves the redevelopment plan for 184-188 Harvard Street as proposed; and be it further
- ORDERED: That the City Manager be and hereby is requested to instruct the Assistant City Manager for Community Development to pursue the possibility of securing additional "Section 8" leases for the mixed-use development at the property located at 184-188 Harvard Street, with the view in mind of providing as many units as possible to low and moderate income residents; and be it further
- ORDERED: That the City Manager be and hereby is requested to instruct the Assistant City Manager for Community Development to pursue with the developer the possibility of skewing the rents at the proposed mixed-use development at the property located at 184-188 Harvard Street, in order to make more units available to low and moderate income tenants.

In City Council August 15, 1984.

Adopted as amended by a yea and nay vote:-

Yeas 7; Nays 1; Absent 1.

Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-

*Paul E. Healy*



# City of Cambridge

ORIGINAL

AGENDA ITEM #14  
IN CITY COUNCIL

August 15, 1984

An order approving the Redevelopment Plan for 184-188 Harvard Street to be submitted to the Massachusetts Government Land Bank for Financial Assistance.

WHEREAS:

The proposed redevelopment of 184-188 Harvard Street will rehabilitate a vacant, fire-damaged, and deteriorating building, eliminating a blighting influence in the neighborhood; and

WHEREAS:

The proposed redevelopment will result in the creation of 17 needed rental units of housing for low, moderate and middle income families; and

WHEREAS:

The financing of this project will be assisted by the Massachusetts Government Land Bank; and

WHEREAS:

The City must make a declaration of support for the redevelopment as proposed;

THEREFORE BE IT ORDERED THAT:

The Cambridge City Council approves the redevelopment plan for 184-188 Harvard Street as proposed.



# City of Cambridge

*Amendment #1*

IN CITY COUNCIL

August 15, 1984

COUNCILLOR WOLF

ORDERED: That the City Manager be and hereby is requested to instruct the Assistant City Manager for Community Development to pursue the possibility of securing additional "Section 8" leases for the mixed-use development at the preoperty located at 184-188 Harvard Street, with the view in mind of providing as many units as possible to low- and moderate-income residents.

~~In City Council August 15, 1984.  
Adopted by a yea and nay vote:-  
Yeas: / Nays: / Absent: /  
Attest:- Paul E. Healy, City Clerk.~~

A true copy;

ATTEST:-

Paul E. Healy, City Clerk.



# City of Cambridge

*Amendment  
# 2*

*(1)*

IN CITY COUNCIL

August 15, 1984

COUNCILLOR DAVID SULLIVAN

ORDERED:

That the City Manager be and hereby is requested to instruct the Assistant City Manager for Community Development to pursue with the developer the possibility of skewing the rents at the proposed mixed-use development at the property located at 184-188 Harvard Street, in order to make more units available to low- and moderate-income tenants.

In City Council August 15, 1984.

Adopted by the affirmative vote of 8 members.

Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-

*Paul E. Healy*

Paul E. Healy, City Clerk.

Councillor Wolf

~~Handwritten signature~~

August 15, 1984

Ordered:

That the City Manager be and hereby is requested to instruct the Assistant City Manager for Community Development to pursue the possibility of securing additional "section 8" leases for the mixed-use development at the property located at 184-188 Howard Street with the view in mind of providing as many ~~many~~ units as possible to low- and moderate income residents.

A ~~Handwritten signature~~

(This goes with the Mass. Land Bank order)  
~~agenda~~

Adopted 7-1-1

Redevelopment Plan for 184-188 Harvard Street  
(Corner of Pine Street)

Project Description:

This project involves the complete rehabilitation of a vacant, deteriorated and fire-damaged residential building for 17 units of mixed-income housing. The building has been uninhabited for more than ten years and is not subject to Cambridge Rent Control, though rents will be regulated by the Massachusetts Government Land Bank after rehabilitation is completed.

The building is designed for occupancy by low, moderate and middle income families, with 14 of the 17 units having three bedrooms. 35% (6) of the units - all three bedroom - will be leased to the Cambridge Housing Authority for 15 years; 18% (3) will be provided at rents affordable to moderate-income families (below 80% of median income), and 47% (8) of the units will be market rate at rents below those for comparable apartments in other developments. The project is being structured to allow for the eventual conversion of the building to a limited-equity cooperative in which the income mix would be maintained

Project benefits to the city and neighborhood include the renovation of an 'abandoned' building and the elimination of a blighting and hazardous condition as well as the provision of 17 large rental units for families of varied incomes. Previous attempts to rehabilitate the property were unsuccessful due to the lack of adequate financing. The creative combination of public and private funds that have now been assembled provides a somewhat unique opportunity to undertake this important project.

Development Team:

Homeowner's Rehab, Inc (HRI) - a Cambridge based nonprofit housing corporation that has sponsored the Work-Equity and Housing Improvement Programs in Cambridge for more than ten years. HRI has recently completed the Cherry Street Townhouses - 8 new homes for low and moderate-income families. HRI will serve as the general contractor for the project; and

Interplan Development Corp. - an affiliate of Steffian-Bradley Associates, a major Boston-based architectural firm with extensive experience in housing and rehabilitation. Steffian-Bradley Associates are the project architect.

Permanent Financing

The Massachusetts Government Land Bank will provide permanent financing at a below-market rate, currently estimated at 10.5% on a 30 year schedule.

Construction Loan:

Shawmut County Bank, Cambridge

Total Project Cost:

\$1,250,000. including private investment of approximately \$300,000 and CDBG funds of \$245,000.

*Agenda #14*

# City of Cambridge

MASSACHUSETTS

In City Council

*August 15* 1984

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy			✓	
Mr. Francis H. Duehay	✓			
Ms. Sandra Graham	✓	0		
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci		✓		
Ms. Alice K. Wolf	✓			
Mayor Russell	✓			

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#14

Amended

and

Adopted

1106

# City of Cambridge

MASSACHUSETTS

In City Council August 15 1987

*CV*

*Refer #14 Falls Falls*

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton		✓		
Mr. Thomas W. Danehy			✓	
Mr. Francis H. Duehay		✓		
Ms. Sandra Graham		✓		
Mr. David E. Sullivan		✓		
Mr. Walter J. Sullivan		✓		
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf		✓		
Mayor Russell		✓		

*1 7 1*

8-15-84

Ordered

That the Cambridge Housing Authority be urged and requested to take by eminent domain property at 14-16 Clinton street and 184-188 Harvard street for the purpose of providing housing, possibly section 8's, for those Cambridge people who are in dire need.

Alfred Vellucci

2-6-1

~~11 PM~~  
~~C. Donohue~~ ~~Chairman~~  
~~A. G. Sullivan~~  
~~A. G. Sullivan~~  
~~C. Sullivan~~  
~~C. Sullivan~~  
~~C. Sullivan~~  
~~C. Sullivan~~

Hon. Francis H. Duehay

August 14, 1984

Page Three

cc: His Honor Leonard J. Russell  
The Honorable Daniel J. Clinton  
The Honorable Sandra M. Graham  
The Honorable Walter J. Sullivan  
The Honorable David E. Sullivan  
The Honorable Alice K. Wolf  
The Honorable Thomas W. Danehy  
The Honorable Alfred E. Vellucci  
Mr. Paul Healy

# City of Cambridge

MASSACHUSETTS

In City Council

August 15, 1984

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton		✓		
Mr. Thomas W. Danehy			✓	
Mr. Francis H. Duehay		✓		
Ms. Sandra Graham		✓		
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan		✓		
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf		✓		
Mayor Russell		✓	✓	✓

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# City of Cambridge

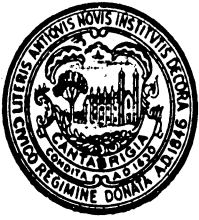
MASSACHUSETTS

In City Council August 15, 1984

AGENDA ITEM NUMBER FOURTEEN

RE: ORDER REQUESTING THE CITY COUNCIL TO ADOPT THE REDEVELOPMENT PLANS FOR THE REHABILITATION OF 184-188 HARVARD STREET.

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton				
Mr. Thomas W. Danehy				
Mr. Francis H. Duehay				
Ms. Sandra Graham				
Mr. David E. Sullivan				
Mr. Walter J. Sullivan				
Mr. Alfred Vellucci				
Ms. Alice K. Wolf				
Mayor Russell				



**CITY OF CAMBRIDGE**  
**COMMUNITY DEVELOPMENT DEPARTMENT**

City Hall Annex      Inman & Broadway

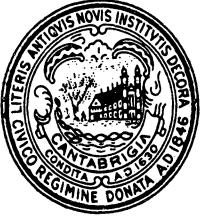
**To** Robert Healy, City Manager

**From** Kathy Spiegelman, Asst. City Manager

**Date** August 10, 1984

**Subject** Public Hearing on Redevelopment of 180-184 Harvard,  
August 15, 1984

Please request that the City Council adopt the redevelopment plan for the rehabilitation of 180-184 Harvard St. The project consists of 17-units of mixed-income housing to be financed by the Mass Government Land Bank. The developers are Homeowners' Rehab Inc. and Interplan Development Corp. See Council Order and project description attached.



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 498-9011

#14

EXECUTIVE DEPARTMENT  
ROBERT W. HEALY  
City Manager

August 15, 1984

To the Honorable, the City Council:

I transmit herewith communication from Kathy Spiegelman, Assistant City Manager for Community Development, and request that the City Council adopt the redevelopment plan for the rehabilitation of 184-188 Harvard Street. Proposed order is also enclosed.

Very truly yours,

Robert W. Healy  
City Manager

RWH/b

Agenda Item Number Fourteen

Re: proposed order requesting the City Council to adopt the redevelopment plan for the rehabilitation of 184-188 Harvard Street.

*S-522*  
*See Order Adopted*  
*As Amended*  
*7-1-1-0-*

*Copy sent to Margaret Smith*  
*Comm Dev Dept*  
*8/21/84 (de)*

In City Council;

August 15, 1984

*8/15/1984*

*Referred to the*  
*Planning*