

City of Cambridge

MASSACHUSETTS

CONSENT AGENDA ITEMS

In City Council March 23 199 2

	YEA	NAY	ABSENT	PRESENT	
Mr. Ed Cyr	✓				
Mr. Francis H. Duehay	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Walter J. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Mr. William H. Walsh	✓				
Ms. Alice K. Wolf	✓				
Mayor Kenneth E. Reeves	✓				

C. Sullivan
MS
MP

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CONSENT AGENDA # 5
CITY COUNCIL
CITY OF CAMBRIDGE

March 23, 1992

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 1991

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1991-92 the following sum is hereby accepted in accordance with General Laws Chapter 44, Section 53A and appropriated in the Grant Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OF PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATION
Community Maintenance & Development Development	Community Development		\$500,000.00			\$500,000.00

BE IT FURTHER ORDERED: That the above acceptance and appropriation in the Grant Fund to be financed by estimated revenues drawn from the following sources:

FINANCING PLAN	REVENUE
Block Grant	\$500,000.00

In City Council March 23, 1992.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Joseph E. Connarton, City Clerk.

A true copy;

ATTEST:-

Joseph E. Connarton

Joseph E. Connarton
City Clerk



CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

MICHAEL ROSENBERG,
Assistant City Manager for
Community Development

MARY FLYNN,
Deputy Director for
Community Development

To: Louis Depasquale
Budget Director

From: Michael H. Rosenberg *MHR*
Assistant City Manager for Community
Development

Date: March 20, 1992

Re: Request for Appropriation for CDBG Float Loan
Cambridge Housing Authority/St. Paul's
Rectory Project

Recommendation: Appropriate \$500,000 for a short term construction loan to the Cambridge Housing Authority to assist them in reconstruction of the former St. Paul's Rectory as 22 units of affordable housing. This project is CDBG-eligible.

Background: The Community Development Department hopes to close on the construction loan later this week, and to issue periodic payments to the CHA over the next four months, to a maximum of \$500,000. These drawdowns will be based on contractor invoices for construction in place, and will be reviewed and approved by the Community Development Department. When state funds become available in September, 1992, the loan will be fully repaid. The terms of this agreement are laid out in the attached commitment letter.

The CDBG float loan program allows us to use unexpended funds from our \$3.14 million letter of credit (of which \$2.5 million is currently available) to temporarily fund short term projects. These funds remain obligated to other projects, but as they are unspent, HUD allows us to draw on our letter of credit to expend them for short term projects. Use of our float capacity in this way has been approved as part of our annual CDBG budget process. It is listed as a line item in the attached FY92 CDBG statement.

Issues: The major issues to be considered are the level of risk and the timing of the loan repayment. This short term loan will be secured by a state commitment to repay the funds, an assignment of the

lease on the St. Paul's Rectory property, an assignment of tenant rents and leases, an assignment of the construction contracts and an assignment of the CHA's contracts for financial assistance with the Executive Office of Communities and Development. Repayment is scheduled for September 15, 1992.

Fiscal Impact: No local match is required. In the unlikely event of a default, future CDBG grants will provide, at the rate of \$100,000 a year, repayment of the \$500,000 to our federal letter of credit.



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

March 23, 1992

To The Honorable, The City Council:

Please find attached a request for an appropriation of \$500,000.00 in the Community Development Grant Fund Other Ordinary Maintenance Account for a short term construction loan to the Cambridge Housing Authority to assist them in reconstruction of the former St. Paul's Rectory as 22 units of affordable housing. This project is Community Development Block Grant eligible.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 5 F-118

Appropriation of \$500,000, to the
Community Development Dept.

In City Council,

March 23, 1992

Order Adopted

9-0-0.