



CAMBRIDGE CITY COUNCIL

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139

(617) 498-9094

Saundra Graham
City Councillor

State Representative

TO: The Honorable, The Cambridge City Council

FROM: Councillor Saundra Graham

RE: 101-105 Magazine Street

DATE: December 5, 1988

This report will update the Council on the situation of the partially rehabilitated building located at 101-105 Magazine St.

The present owners, KMR Associates, requested that the City Council assist them in identifying solutions to the problems they have encountered since purchasing the Magazine St. building. The owners purchased this fire damaged, rent-controlled property under the assumption that they could gut the building without Removal Permits and sell 12 units as market rate condominiums (\$150,000-\$160,000 per unit). The owners obtained financing based on this assumption and began to rehab the property. On June 14, 1988, the Rent Control Board denied Removal Permits for eight of the ten existing units. At this point, KMR realized they could not proceed with the rehab of the building based on their original plan and began to seek alternative solutions.

On October 7, 1988, I convened a meeting to discuss possibilities which would allow the rehab to continue and maximize the affordability of the project. Michael Rosenberg (Community Development Dept.), Susan Schlesinger (Community Development Dept.), Dan Wuenschel (Cambridge Housing Authority), Bob Costa (Cambridge Housing Authority), Peter Daly (Homeowner's Rehab, Inc.), Gordon Gottsche (Just-A-Start), Neil Rohr (Cambridge Economic Opportunity Corp.), Michael Keane (KMR), William Rothfuchs (KMR) Robert Morrissey (KMR) and Attorney Andrew Bram were also present. The alternatives explored included purchase of the building by a non-profit or the Cambridge Housing

Authority and the leasing of some or all units through the Section 8 or 707 Program. The City agreed to have an appraiser determine the value of the building.

The discussion of these alternatives continued at the next meeting held on November 4. Homeowner's Rehab, Inc. was able, at this time, to make an offer to buy the completed building from KMR Associates. This offer was based on the assumption that 11 units would be subsidized through the 707 Program, the City would lend HRI approximately \$200,000 in below market rate financing to make the acquisition possible and tenants displaced by the fire would return to the building. However, the offer was not acceptable to KMR.

KMR is continuing to explore the possibility of leasing units through the Cambridge Housing Authority and obtain financing to complete the building based on the income these units would produce.

SG:SS:nb



CAMBRIDGE CITY COUNCIL

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139

(617) 498-9094

Saundra Graham
City Councillor

State Representative

TO: The Honorable, The Cambridge City Council

FROM: Councillor Saundra Graham

RE: 101-105 Magazine Street

DATE: December 5, 1988

This report will update the Council on the situation of the partially rehabilitated building located at 101-105 Magazine St.

The present owners, KMR Associates, requested that the City Council assist them in identifying solutions to the problems they have encountered since purchasing the Magazine St. building. The owners purchased this fire damaged, rent-controlled property under the assumption that they could gut the building without Removal Permits and sell 12 units as market rate condominiums (\$150,000-\$160,000 per unit). The owners obtained financing based on this assumption and began to rehab the property. On June 14, 1988, the Rent Control Board denied Removal Permits for eight of the ten existing units. At this point, KMR realized they could not proceed with the rehab of the building based on their original plan and began to seek alternative solutions.

On October 7, 1988, I convened a meeting to discuss possibilities which would allow the rehab to continue and maximize the affordability of the project. Michael Rosenberg (Community Development Dept.), Susan Schlesinger (Community Development Dept.), Dan Wuenschel (Cambridge Housing Authority), Bob Costa (Cambridge Housing Authority), Peter Daly (Homeowner's Rehab, Inc.), Gordon Gottsche (Just-A-Start), Neil Rohr (Cambridge Economic Opportunity Corp.), Michael Keane (KMR), William Rothfuchs (KMR) Robert Morrissey (KMR) and Attorney Andrew Bram were also present. The alternatives explored included purchase of the building by a non-profit or the Cambridge Housing

Authority and the leasing of some or all units through the Section 8 or 707 Program. The City agreed to have an appraiser determine the value of the building.

The discussion of these alternatives continued at the next meeting held on November 4. Homeowner's Rehab, Inc. was able, at this time, to make an offer to buy the completed building from KMR Associates. This offer was based on the assumption that 11 units would be subsidized through the 707 Program, the City would lend HRI approximately \$200,000 in below market rate financing to make the acquisition possible and tenants displaced by the fire would return to the building. However, the offer was not acceptable to KMR.

KMR is continuing to explore the possibility of leasing units through the Cambridge Housing Authority and obtain financing to complete the building based on the income these units would produce.

SG:SS:nb

Comm. from Joseph E. Connarton, City Clerk,
transmitting a report from Councillor Sandra
Graham relative to the building located at
101-105 Magazine Street.

In City Council,

December 19, 1988

*Referred to hearing.
Hearing postponed
until Jan. 9, 1989. at 6:00 P.M.*