



City of Cambridge

Committee Reports # 2

IN CITY COUNCIL

January 23, 1995

COUNCILLOR DUEHAY

ORDERED:

Unless there is closure to this issue before the end of this week, that the City Manager and representatives from Forest City Development appear at the City Council meeting of Monday, January 30, 1995 to explain.

In City Council January 23, 1995.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury

D. Margaret Drury,
City Clerk

City of Cambridge

The Housing and Community Development Committee held a public meeting on Thursday, January 5, 1995, beginning at 4:10 p.m. for the purpose of discussing why there is no loan closing or construction start scheduled for Phase One of the Brookline Street housing, which is a requirement of the zoning for University Park.

Present at the hearing were Councillor Francis H. Duehay, Chair; Vice Mayor Sheila T. Russell, Councillors Michael A. Sullivan, Jonathan S. Myers, Kathleen L. Born, Mr. Robert W. Healy, City Manager; D. Margaret Drury, City Clerk; Susan Schlesinger, Assistant City Manager for Community Development; Mr. Peter Daly, Executive Director for Homeowners Rehab, Inc.; and Mr. Jack Dobson, Forest Cities/Site Development Corporation.

Councillor Duehay convened the meeting and explained the purpose. He stated that stage one of the Brookline Street Housing, an integral part of the approved zoning package, has been delayed on numerous occasions. He said that he had assumed that having obtained all the commitments for the funding, a groundbreaking would be occurring shortly. However, it has come to his attention that there is a danger of some funding being lost if the closing does not occur soon.

Mr. Healy stated that recent events at the Massachusetts Housing Finance Association (MHFA) are causing concern to the City because the deal is complex and if it is not concluded before the change of leadership at MHFA, there will be delays while a new staff tries to sort out the complexities. Negotiations between Forest City and Homeowners Rehab has been protracted and difficult.

Mr. Healy stated that he is happy to announce that progress has been made and he now believes that it is possible that the parties can reach closure on the necessary agreements by Monday, January 9, 1995, so that the parties can proceed to closing on that day.

Councillor Duehay asked what details remain to be solved.

Ms. Schlesinger stated that the primary issues relating to the MHFA and its requirements for the financibility of the lease have been resolved. Certain business issues between HRI and Forest City have been resolved.

Councillor Myers asked the significance of the January 9, 1995 date. Ms. Schlesinger stated that Executive Director Mr. Marvin Siflinger is leaving MHFA on Tuesday, January 10, 1995, and it is felt that the closing must occur before then, because otherwise the complexities of the deal will result in delay while a new staff becomes familiar with it.

Housing & Community Development Meeting

January 5, 1995

Page 2

Councillor Born asked how many loans are involved in the deal. Mr. Daly stated that there are eight.

Ms. Schlesinger said that Forest Cities has agreed to incorporate the language MHFA was seeking into the lease. Councillor Born asked what the language required by MHFA is.

Ms. Schlesinger stated that the requirements related to complexities in the deal because the lease is from MIT through Forest Cities to HRI.

Mr. Dobson said that there were issues related to parking especially with regard to conditions related to the future developments contemplated in Phase Two.

Councillor Duehay stated that he had become increasingly concerned that this project might run out of time.

Mr. Dobson said that the agreements related to Phase Two were resolved, except for a couple that really are technicalities.

Councillor Duehay noted that there are only two days left to resolve these issues, and asked Mr. Daly whether he thought they would be resolved in this time frame.

Mr. Daly first thanked the City Council and City Administration for all its help. He said that he has seen cooperation is getting the issues resolved and feels that issues will be resolved by Monday. The contractor is beginning to stake out the area.

Mr. Healy noted the cooperation of Forest Cities in allowing the survey before the closing.

Councillor Myers asked whether the project was at risk.

Mr. Healy stated that the replacement of the Executive Director at MHFA caused concern.

Mr. Dobson stated that Mr. Daly has done a good job in working with the contractor to hold prices, but there was concern that additional delay would increase prices, and in a project this tight, increased prices are a big danger.

Councillor Myers stated that he appreciates the diligence of the parties in continuing to work on this project, which everyone is eager to see come on line.

Councillor Duehay asked whether members of the public had any comments.

Mr. William Cavellini of Brookline Street said that it has been eight years since the zoning was passed along with a council order which stated that housing production would begin in three years. The problem is the interrelationship of Phase One and Phase Two, which was a problem one and a half years ago. He noted the delay, the importance of this housing and the context of the loss of rent control.

Mr. Cavellini stated that if this cannot come to closure, it is important for the City Council to get a better understanding of the relationship between MIT and the developer. For example, there is the issue of how much money MIT makes from the housing. Mr. Cavellini added that this project is a great project. The physical design has passed the test of many community members. He urged quick resolution of any outstanding issues.

Councillor Born said that the place where the capital and real estate rests is the place where the cards are held, and if a leap of faith is required, she expects Forest Cities to take that leap.

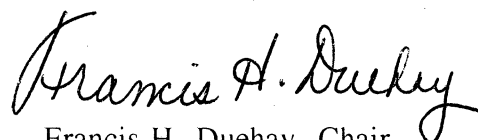
Mr. Healy said that Attorney Joe Haley has been a great help in moving forward, as has HRI's Attorney and Adam Weisenberg.

Ms. Frances Wirta of Cambridgeport stated that it is really important for this project to come to fruition at this time, in view of events regarding rent control.

Councillor Duehay stated that the record of the meeting will stay open until Monday afternoon, in hopes that the report of the meeting can also report a closing on the deal.

Vice Mayor Russell moved adjournment and the meeting was adjourned at 4:46 p.m.

For the Committee,


Francis H. Duehay, Chair

5-29

Committee Report #2

A comm. was received from D. Margaret Drury transmitting of a report from Councillor Duehay Chair of the Housing and Community Development Committee for a public meeting held January 5, 1995 for the purpose of discussing why there is no loan closing or construction start scheduled for Phase One of the Brookline Street housing which is a requirement of the zoning of University Park.

In City Council January 23, 1995

*Report accepted
Placed on file
Order adopted*