CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

SUSAN B. SCHLESINGER
Assistant City Manager for Community Development

BETH RUBENSTEIN
Deputy Director for Community Development

MEMORANDUM

TO: Robert W. Healy, City Manager

SBS

FROM: Susan Schlesinger, Assistant City Manager for Community Development

DATE: March 25, 1998

RE: Council Order #083 dated 2/2/98 RE: Report on the Status of the One Hundred Housing Units Purchased from Harvard University

The City, through the Community Development Department, worked closely over the past two years with Homeowner's Rehab, Inc. (HRI) and Harvard University to implement the affordable housing agreement related to Harvard's formerly controlled rental housing portfolio. Under this agreement, which was approved by the City Council in the summer of 1986, Harvard agreed to sell 100 units in 9 buildings to HRI at prices significantly below market value, and to extend rent protections for approximately 78 tenants living in other Harvard-owned properties for as long as the tenants live there.

We are attaching a copy of a status report from HRI on the 100 units which were acquired in May, 1997. HRI has proceeded with plans to assemble project financing, and conduct capital improvements to these buildings, including the upgrading of interiors on all vacant units. Upon completion, units are to be rented to income eligible tenants at affordable rents. Approximately 14 units are currently vacant, and we anticipate that full occupancy will be achieved by this fall.

We are also attaching a letter from Harvard Planning and Real Estate which describes the status of the remaining Harvard-owned units. Harvard has complied with its agreement to extend rent protections on the 78 lower income tenants living in other properties. Harvard agreed to a maximum annual rent increase of 5% for these tenants.

City Hall Annex
57 Inman Street
Cambridge, MA 02139
Voice: 617 349-4600
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Finally, I am pleased to inform you that Harvard has recently agreed to extend the term of an agreement to provide a pool of funds to assist the City's affordable housing efforts. This funding, through the Housing Emergency Lending Program or HELP, provides low-interest rehab financing in City-approved affordable housing developments. The HELP Fund has assisted 8 rental housing developments comprising 57 affordable units. The HELP Fund agreement expired recently, and Harvard has agreed to a five year extension.

Please let me know if I can provide you with any additional information regarding these matters.

Attachment

HRI
HOMEOWNER'S
REHAB, INC.

MEMORANDUM

TO: Roger Herzog, Director of Housing, Community Development Dept.

FROM: Peter Daly, Executive Director

DATE: March 23, 1998

RE: Council Order on Harvard Housing

This is in response to your request for a status report on the 100 units purchased from Harvard. As you know, this housing has been separated into two components which we refer to as Harvard I and Harvard II. Harvard I totals 52 units consisting of the two properties located at Oxford Street and Trowbridge Street. Harvard II totals 48 units consisting of buildings on Sacramento (2), Athens (2), Wendall (3) and Flagg St. (1). We are responding according to the categories that you listed with separate responses for Harvard I and Harvard II where appropriate.

FUNDING

Harvard I is fully funded and has closed on all funding. Total development costs are $3,154,000 and include funding from the City of Cambridge, the Cambridge Affordable Housing Trust and the Mass. Housing Partnership Fund and Cambridge Neighborhood Apartment Housing Services, Inc.

Harvard II has closed on funds committed from the City of Cambridge. It has received commitments but not closed on funds from the State (Department of Housing and Community Development) and Cambridge Neighborhood Apartment Housing Services, Inc. (through Neighborhood Reinvestment). It may still have a minor funding gap, the amount of which will be determined as renovation costs are finalized. It is anticipated that all funding needs will be committed and finalized by this summer.

280 Franklin Street, Cambridge, MA 02139 • (617) 868-4858 • Fax (617) 868-1022

REHAB PLAN AND SCHEDULE

Harvard I anticipates an initial rehab program of approximately $700,000 mostly in common areas and vacant units. Rehab work includes new plumbing stacks, apartment entry doors, windows, deleading, and upgrading vacant units. As of March 2nd approximately $509,000 or 73% of this has been completed. We expect the balance to be completed by May. There will be additional renovations to the current occupied units upon turnover.

Harvard II, has had limited renovations to date ($163,000 has either been completed or is in process). Most of the renovation work is still in the planning stages, however it will be similar to Harvard I. Some renovations are planned to start this spring (another $500,000) and will continue into the summer and fall. As in Harvard I, there will be ongoing work in the future in units as they become vacant.

OCCUPANCY STATUS

As of March 23rd, 46 of the 52 units at Harvard I were occupied. The balance were in various stages of renovations. Full occupancy is expected in May.

In Harvard II - 40 of the 48 units are occupied. The balance will be occupied after renovations are completed. We expect the first of these units to come on line on April 1st with the balance being completed over the next six months.

HOW TO APPLY FOR UNITS

The management agent for Harvard I and Harvard II is Winn Management Company. Their office is located at Auburn Court on Brookline Street. The phone number is 491-5466. Applicants can either call or drop by to pick up an application form. Applicants can specify whether they want to apply solely for the Harvard units or to other properties managed by Winn.

SELECTION CRITERIA

In general, these properties are programmed for occupancy by low income tenants (incomes below 50% of median) who hold Section 8 subsidies and moderate to middle income residents (50% to 100% of median income). The income mix planned for this housing is as follows:

One-third for residents up to 60% of median

One-third for residents up to 70% of median

One-sixth for residents up to 90% of median

One-sixth for residents up to 100% of median

The current income levels are as follows:

Family Size	50%	60%	70%	90%	100%
1	$21,000	$25,200	$29,400	$37,800	$42,000
2	24,000	28,800	33,600	43,200	48,000
3	27,000	32,400	37,800	48,600	54,000
4	30,000	36,000	42,000	54,000	60,000
5	32,400	38,900	45,360	58,320	64,800
6	34,800	41,750	48,720	62,640	69,600

Applications come from a number of sources including referrals from various City of Cambridge departments and agencies, the Cambridge Housing Authority and direct outreach and advertising. Applicants are then put into one of the thirty income/family size categories listed above. Then for instance, if a one person studio unit for the 60-69% income range becomes available, we would look at all one person applicants whose income falls between $25,200 and $29,400. Application information will then be screened, verified and documented and ranked according to existing need, i.e. homeless, unable to afford their current rent, overcrowded conditions, facing no fault evictions, etc. Apartments are then offered to residents in accordance with these circumstances.

RENT POLICY

Rents have been established for the different income classified units such that residents in those units will be paying approximately 30% of their income for rent including utilities. Residents who have Section 8 certificates will pay their portion of rent in accordance with the Section 8 Program guidelines.

Existing residents who are not eligible under the Affordable Housing Program will receive gradual increases over time, up to the market rent. In addition, any resident who, due to a hardship or other just cause, cannot pay the program rent, is given the opportunity to present his or her individual circumstances and seek an alternative resolution of the rent structure.

Holyoke Center
1350 Massachusetts Avenue
Cambridge, Massachusetts 02138

Telephone 617.495.8786
Facsimile 617.495.0463
Email Susan_Keller@Harvard.edu

Harvard Planning and Real Estate

Feb. 18, 1998

Ms. Susan Schlesinger
Assistant City Manager for Community Development
City of Cambridge
57 Inman Street
Cambridge, Mass 02139

Dear Susan,

I am writing to update you on the status of Harvard University's formerly rent control properties in hopes that this information will be helpful to you for your report to Cambridge City Council.

As you know, the sale of the 100 units of Harvard University's formerly rent control housing stock to Homeowners Rehab. Inc. for permanent affordable housing, was predicated on the University's ability to convert its remaining housing for exclusive rental to Harvard's Affiliated population (Students, Faculty, or staff) upon turn over. At this time, the total number of apartments rented at market rates to Harvard's Affiliated population is 49% of the former rent control housing stock (263) with the remaining balance of units 51% or (268) are rented to formerly rent control tenants at below market rates. The apartments are rented to Harvard Affiliates only upon vacancy and we anticipate that it will take through the year 2003 before all apartments are occupied by Harvard Affiliates at market rates (except apartments occupied by residents who receive subsidy.) Our records indicate that 29% or 86 apartments are rented at 40%-60% below market, and 95 apartments or 32% are rented between 25%-40% below market, and 65 apartments or 22% are rented between 25%- 8.5% below market. and 44 apartments or 14% are rented between 8.5% below market to market.

Of the remaining formerly rent control apartment units, 63 apartments are rented to households that receive subsidized rents through Harvard's own protection program (part of the conditions for sale of the 100 units), and by subsidy offered by CHA. The reduction of the number of households eligible for Harvard's own protection program since the time of the sale has decreased from 78 to 48. The reduction is due to a combination of reasons including:

- relinquished protection as a result of being qualified as over income,
- receiving state assistance through CHA,
- relinquishing protected status voluntarily in order to remain in a larger apartment,
- vacating the apartment for reasons of relocation etc..
- residing in apartments sold to Homeowners Rehab. Inc.

I hope you find this information helpful and please contact me if you have further questions at 495-8786.

Thank you for your attention in this matter.

Very Truly Yours,

Susan

Susan K. Keller
Director of Residential Real Estate

cc Kathy Spiegelman

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139
TEL. 349-4300
FAX. 349-4307

5.

March 30, 1998

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 4, regarding a report on the status of the one hundred housing units which the City purchased from Harvard University, received from Assistant City Manager for Community Development Susan Schlesinger.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
Attachment

Consent Agenda #5 S-224

Relative to a report on the
status of the one hundred housing
units which the City purchased
from Harvard University.

In City Council March 30, 1998

PLACED ON FILE