



City of Cambridge

2.

IN CITY COUNCIL

June 16, 1997

MAYOR RUSSELL
COUNCILLOR TOOMEY
VICE MAYOR BORN
COUNCILLOR DAVIS
COUNCILLOR DUEHAY
COUNCILLOR GALLUCCIO
COUNCILLOR REEVES
COUNCILLOR SULLIVAN
COUNCILLOR TRIANTAFILLOU

RESOLVED: That the Community Development Department be and hereby is requested to continue to keep the City Council informed regarding the status of 700 Huron Avenue, and further be it

RESOLVED: That the City Council thank the Cambridge Housing Authority for their prompt attention to the concerns of the residents of 700 Huron towers and encourage them to keep the lines of communication open so that residents will be assured that we are doing everything possible to assist them in the future.

In City Council June 16, 1997

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in black ink, reading "D. Margaret Drury".

ATTEST:-

D. Margaret Drury
City Clerk

Mayor Russell

(2)

Councillor Toomey.

Resolved: That the CDD - Continue
to keep the City Council informed
regarding ~~the~~ the status of
700 Huron Avenue, and further
be it resolved that the council
thank the Cambridge Housing Authority
for their prompt attention to the
concerns of the residents of 700 Huron
Avenue and encourage them
to keep the lines of communication
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possible to assist them in the future

MSR

6/6/97
9:20

will be submitting
an order re:

Vouchers CWA -
Theron Towers



CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

SUSAN B. SCHLESINGER
Assistant City Manager for
Community Development

MEMORANDUM

ELIZABETH EPSTEIN
Deputy Director for
Community Development

Susan Schlesinger, Assistant City Manager for Community Development

FROM: Roger Herzog, Housing Director *RH*
DATE: June 9, 1997
RE: Huron Tower Mortgage Prepayment

I am writing to inform you about the status of the 248-unit Huron Tower development, which faces imminent expiring use restrictions. The owner of the property is proceeding to prepay the HUD-insured mortgage and terminate the federal use restrictions on the property.

Bill Kargman, representing the ownership, held a meeting for tenants on Monday June 2nd. In the meeting, he informed tenants that he was proceeding with his plan to prepay the mortgage. He is sending a notification to HUD, which will trigger a 60-day time period during which he can not increase rents. He expects that, as of September 1, 1997, he will be able to increase rents up to market levels. The new rent levels for existing tenants will be as follows:

<u>Unit Size</u>	<u>Current Rent</u>	<u>Proposed Enhanced Voucher Rents</u>
1-BR	\$576-698	\$ 925
2-BR	\$634-768	\$1,275
3-BR	\$704-853	\$1,700

1. All existing tenants with incomes below 95% of median income should be eligible to receive an enhanced Section 8 voucher. This enhanced voucher will allow the tenant to pay an affordable rent, and HUD will pay the difference up to the market rent. The Cambridge Housing Authority (CHA) needs to certify that the proposed enhanced voucher rents are reasonable in order for the tenants to be able to use the vouchers in the building. The vouchers are mobile, but if a tenant moves, the maximum rent would be reduced to the Section 8 Fair Market Rent levels.

2. For tenants with incomes above 95% of median (estimated to be approximately 20 households), the owner has agreed voluntarily to limit rent increases to 10% per year for a five year period. For new tenants, the owner intends to charge market rents that exceed the rents shown above.

The CHA held a meeting in the building on Friday June 6th to receive tenant comments and questions about the transition to enhanced vouchers.

As you know, our major concern has been the term of the enhanced vouchers. HUD does not yet know whether they will be extended beyond the first year following prepayment. Please let me know if you have any questions on this matter.



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Consent Order #2

S-380

Mayor Russell and Councillor Toomey
re: The status of 700 Huron Avenue.

In City Council June 16, 1997

ORDER ADOPTED