CCM-101

City of Cambridge

8

IN CITY COUNCIL

Councillor Walsh September 24, 1990

WHEREAS: Our efforts to increase the stock of affordable housing available for very low, low and moderate income families can receive an added boost if Cambridge commits itself, with no financial cost to the city, to participation in a public/private partnership as outlined in the recently adopted Affordable Housing Disposition Program which is administered by the Resolution Trust Corporation. The attached materials including, among other things, a summary of the program, specifics of the legislation relevant thereto, as well as the expressed encouragement from RTC administrators and personnel, make it clear that this program can be in place and operative very quickly as an additional avenue of access to affordable housing, be it owned or rental, for residents of the Cambridge community.

While the attached correspondence from RTC indicates that no eligible residential property is available at the present moment in Cambridge, it behooves us to be prepared to respond quickly when and as the RTC advises the city that such property or properties is or are available for disposition in accordance with RTC guidelines (specifics attached).

Now therefore be it

ORDERED: That the City Manager initiate the process which will integrate and annex the RTC program with the Affordable Housing Trust, the Cambridge Community Development Department and, through the instrumentality of both, reach out to non-profit and for-profit entities within the city which have exhibited a proven expertise in the provision of low and moderate income housing, as well as investors, so that a new phase in public/private partnership in providing additional affordable housing will be brought about; and be it further

ORDERED: That, upon enactment of this Order, the City Manager advise the appropriate person at RTC (Ms. Cheryl Walker, Affordable Housing Disposition Specialist) accordingly and invite her or through her a designated representative of RTC to join the Council membership at a regularly scheduled Council session for a formal ceremony to announce this new partnership.

(ATTACHMENTS)

CCM-101

City of Cambridge

8.

IN CITY COUNCIL

COUNCILLOR WALSH

September 24, 1990

WHEREAS: Our efforts to increase the stock of affordable housing available for very low, low and moderate income families can receive an added boost if Cambridge commits itself, with no financial cost to the City, to participation in a public/private partnership as outlined in the recently adopted Affordable Housing Disposition Program which is administered by the Resolution Trust Corporation. The attached materials including, among other things, a summary of the program, specifics of the legislation relevant thereto, as well as the expressed encouragement from RTC administrators and personnel, make it clear that this program can be in place and operative very quickly as an additional avenue of access to affordable housing, be it owned or rental, for residents of the Cambridge community; and

WHEREAS: While the attached correspondence from RTC indicates that no eligible residential property is available at the present moment in Cambridge, it behooves us to be prepared to respond quickly when and as the RTC advises the City that such property or properties is or are available for disposition in accordance with RTC guidelines (specifics attached); now therefore be it

ORDERED: That the City Manager initiate the process which will integrate and annex the RTC program with the Affordable Housing Trust, the Cambridge Community Development Department and, through the instrumentality of both, reach out to non-profit and for-profit entities within the City which have exhibited a proven expertise in the provision of low and moderate income housing, as wella s investors, so that a new phase in public/private partnership in providing additional affordable housing will be brought about; and be it further

ORDERED: That, upon enactment of this Order, the City Manager advise the appropriate person at RTC (Ms. Cheryl Walker, Affordable Housing Disposition Specialist) accordingly and invite her or through her designated representative of RTC to join the Council membership at a regularly scheduled Council session for a formal ceremony to announce this new partnership.

In City Council September 24, 1990.
Adopted by the affirmative vote of nine members.
Attest:- Joseph E. Connarton, City Clerk.

A true copy; Joseph E. Connarton

ATTEST:-

Joseph E. Connarton
City Clerk.

INFORMATIONAL SUPPLEMENT

RE: RESOLUTION TRUST CORPORATION

Affordable Housing Disposition Program

In July, 1990 the Final Rule became effective which governs the Affordable Housing Disposition Program of the Resolution Trust Corporation (hereafter referred to as RTC). The purpose of the referenced Final Rule is to implement the provisions of section 21A(c) of the Federal Home Loan Bank Act as amended by section 501 of the Financial Institutions Reform, Recovery, and Enforcement Act " FIRREA" of 1989 which, among other things, requires the establishment of a ninety-day marketing period for the disposition of eligible residential properties for which the RTC has title in its corporate capacity or as a receiver. The program is to provide homeownership and rental housing opportunities for moderate-income, lower-income, and very low-income families and individuals.

It should be noted that RTC, as chartered , is responsible for the disposition of assets, including residential properties, of failed financial institutions formerly insured by the FSLIC (Federal Savings & Loan Insurance Corporation) . Section 1609 of the legislation creating the RTC requires special consideration to providing or maintaining a stock of affordable housing in the disposition of residential properties. An extensive citation from Section 1609 is attached hereto.

RTC STRUCTURE:

The RTC is divided into four (4) regions. Atlanta, Georgia is the Regional Headquarters for the Eastern Region. The other regions are:

Southwest	- Dallas, Texas
Central	- Kansas City, MO.
Western	- Denver, Colorado

The Eastern Regional Office consists of 23 states, Puerto Rico, the Virgin Islands and Washington, D.C. There are four (4) Consolidated Offices within the Eastern Region. The Consolidated Office within whose jurisdiction the New England States fall is the Northeast Consolidated Office in Valley Forge, PA. The primary function of the consolidated offices is the disposition of assets.

OBJECTIVE OF THE AFFORDABLE HOUSING DISPOSITION PROGRAM:

The objective of the program is to make homes available to families whose incomes are at or below 115% of the area median income in which the home is located and agree to occupy the property as a principal residence. Properties identified as eligible under the program are subject to an exclusive 90 day first right of purchase period which is offered to qualifying purchasers (i.e., low or moderate income families, non-profit organizations, public agencies) .

If the property does not sell during the 90 day period, it will be offered for sale to the general public as any other real estate.

The program objective is also to provide an opportunity for non-profit organizations, public agencies and investors to purchase multifamily properties which will provide rental apartments or homes to individuals whose adjusted income is considered low or very low as set by HUD area median income guidelines (i.e. 50% for very low and 65% for low income figures) . This requirement will be governed by a deed restriction if a serious expression of interest is made during the 90 day first right of refusal period. The deed restriction requires the purchaser to lease 20% of the total units to very low income persons and 15% to low income persons for the useful life of the property. (As you will note within, this period extends from 40 to 50 years) In addition, there are restrictions on the amount of rent that can be charged to low and very low income tenants. These rent restrictions are established by HUD Section 8 guidelines.

HOW IT WILL OPERATE:

Pivotal to the success of the program is making people aware of available properties and financing opportunities. The law requires that when RTC determines it is ready to market property that qualifies as affordable housing, it is to notify clearinghouses who will disseminate information to potential qualified purchasers. Clearinghouses have been identified as State Housing Finance Agencies for the State where the property is located, the Housing Community Investment Office of the Federal Home Loan Bank & National non-profits. In addition to notifying the clearinghouses, RTC will list properties with brokers which operate in the regions in which the properties are located. The relationship between the broker and RTC will be governed by a specific listing agreement tailored to affordable housing properties. All listing brokers must be approved contractors with RTC. Commissions will conform to customary and usual rates. (Note attached materials re: Brokers)

WHAT PROPERTY QUALIFIES ?

The regulations defines eligible single family property as a one to four family residence which has an appraised value that does not exceed

$67,500.00 for a one unit residence, $76,000.00 for duplex, $92,000.00 for a triplex, and $107,000.00 for a fourplex. An eligible multi-family unit is determined by the total appraisal value against the established value of each unit set by number of bedrooms in each unit. Established values are:

efficiency	-	$29,500
1 bedroom	-	33,816
2 bedroom	-	41,120
3 bedroom	-	52,195
4 bedroom	-	58,392

By multiplying these unit values by the number of units in each category and the total is greater than the appraised value, the property qualifies under the program.

HOW LISTED PRICES AND/OR SELLING PRICES WILL BE ESTABLISHED:

Properties will generally be sold in an " as is " condition. FIRREA mandates that the RTC sell these properties for no less than the net realizable value which is defined as the appraised value minus all holding costs that could be foregone by an expedited sale. However, single family properties may be sold at a price below NRV to the extent necessary to (1) facilitate an expedited sale to a lower-income family or (2) facilitate an expedited sale to a public agenyc or non-profit organization that will comply with the lower-income occupancy requirements applicable to the property. Examples of holding costs include condominium fees, maintenance costs, security expenditures, insurance, real estate taxes and the loss of use of funds. Where applicable, savings from avoidance of fees paid to sales agents, brokers, auctioneers, etc., may also be deducted.

(ATTACHMENTS)

RTC AFFORDABLE HOUSING PROGRAM
INFORMATION PACKAGE FOR
REAL ESTATE BROKERS

I. RTC Structure

II. What is the objective of this program?

III. How will it operate?

IV. What property qualifies?

V. Who qualifies to buy?

VI. How are listed prices and/or selling prices established?

I. RTC Structure

The Eastern Regional Office consist of 23 States, Puerto Rico, the Virgin Island, and Washington, D.C. The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) which established the Resolution Trust Corporation (RTC) also contains legislation aimed at maintaining the availability of affordable housing for households with income levels in the lower half of area median incomes. For affordable dwellings obtained by the RTC, through receiverships of insolvent savings institutions, an exclusive 90 day first right of purchase period will be offered to eligible purchasers prior to marketing to the general public at large.

The nation is divided into four regions, of which Atlanta is the Regional Headquarters of the Eastern Region. The other regions are:

Southwest - Dallas, Texas
Central - Kansas City, Mo.
Western - Denver, Colorado

Within the Eastern Region there are four Consolidated, or Field Offices:

Bayou (Baton Rouge) - LA & MS
Northeast Atlantic (King of Prussia) New England States & OH
Mid-Atlantic (Atlanta) 9 Southern States and D.C.
Southeast (Tampa) - FL, PR & VI

The Consolidated Offices' primary function is the disposition of assets of Savings Institutions for which the RTC has been appointed receiver.

II. What is the objective of The Affordable Housing Program?

It is to make available homes for families and/or individuals whose income is at or below the area median income in which the home is located. Investors may also purchase single family homes to provide rental homes for the same low income persons or to re-sell to qualified purchasers whose income does not exceed 80% of the area median income. This requirement will be covered by a deed restriction.

If a low income person purchases the home from an investor he needs to make it his principle resident. He can also re-sell his home without a deed restriction. The programs objective is also to provide an opportunity for Investors to purchase multifamily properties, be they public agencies, non-profit organizations or for profit companies which will provide rental apartments or homes to those individuals whose income is considered lower or very low, set by the HUD area median income guidelines.

This objective will be achieved in part by giving qualified individuals or companies an exclusive 90 days first right or opportunity to purchase these properties.

III. How will it operate?

Perhaps more crucial to an affordable sale than the end price is making people aware of available properties and providing reasonable financing programs. The law requires that when the R.T.C. determines it is ready to market property that qualifies as Affordable Housing - it is to notify clearinghouses who will disseminate information to potential qualified purchases. Clearinghouses have been identified as State Housing Financing Agencies for the State where the property is located, The Housing Community Investment Office of the Federal Home Loan Bank, and National non-profits. In addition to the R.T.C. notifying the clearinghouses, it will be the common practice of the RTC to list properties with brokers which operate in the regions in which the properties are located. The relationship will be governed by a specific listing agreement tailored to affordable properties and all listing brokers must be approved contractors with RTC. Commissions will conform to customary and usual rates. If the property does not sell during the 90 day period it will be offered for sale to the general public as any other real estate.

IV. What Property qualifies?

The regulation defines eligible single family property as a one to four family residence which has an appraised value that does not exceed $67,500 for a one unit residence, $76,000 for a duplex, $92,000 for a triplex and $107,000 for a fourplex. An eligible multi-family unit is determined by the total appraisal value against the established value of each unit set by number of bedrooms in each unit.

Example efficiency unit value:	29,500
1 Bedroom	33,816
2 Bedroom	41,120
3 Bedroom	52,195
4 Bedroom	58,392

If you multiply these unit values by the number of units in each category and total the amounts and the dollar value is more than the appraised value the property qualifies under the program.

V. Who qualifies to buy?

Buyers of single family properties include households whose adjusted income does not exceed 115 percent of the median income for the area in which the property is located and who will occupy the property as a principal residence.

Public agencies, nonprofit organizations and for profit individuals or companies are eligible buyers if the property they purchase is rented or sold to families or individuals whose adjusted income does not exceed 80% of the area median income. The deed to these properties will contain restrictions.

Qualified multi-family buyers include public agencies, non-profit organizations and for profit entities that commit to meet statutory lower income occupancy requirements. Also, there are restrictions on the amount of rent that can be charged to low and very low-income tenants, which are established buy HUD Section 8 rent guidelines.

Investors who buy property during the 90 day period must meet deed restriction requirements. For multi-family properties the deed restriction requires the purchaser to lease 20% of the total units to very low income persons and 15% to low income persons. This deed restriction stays with the property for its useful life.

There is no deed restriction on a qualified single home buyer. They just have to make it their principle residence.

VI. How are listed prices and/or selling prices established?

Affordable properties are to be listed at appraised value. Properties will generally be sold in an "as is" condition. FIRREA mandates that the RTC sell these properties for no less than the net realizable value which is defined as the appraised value minus all holding costs that could be foregone by an expedited sale. Examples of such costs saved are condo fees, maintenance costs, security expenditures, insurance, real estate taxes and the loss of use of funds. Where applicable, savings from avoidance of fees paid to sales agents, brokers, auctioneers, etc., may also be deducted.

A final note on sales price - FIRREA contains language which allows for flexibility in the minimum disposition price in order to expedite a sale in the spirit of the affordable housing goals. Exceptions to the norm will be reviewed on a case by case basis, either in The Consolidated Office at The Credit Committee Review Board or in the Atlanta office, if necessary.

FILE NAME: 899-001.IMA

Affordable Housing Disposition Program

Overview

- Residential Properties (Single Family and Multifamily) Under Certain Appraised Value
- Properties are in Receivership and RTC has Clear Title
- Property Must be Listed with a Clearinghouse for 90 Days
- Only Eligible Purchasers Can Make an Offer During the 90 Days
- Properties are Listed at Fair Market Value
- Single Family and Multifamily Properties May be Purchased in Bulk

AFFORDABLE HOUSING DISPOSITION PROGRAM

Eligible Properties

0 Multifamily

-5 or More Units
-Properties are Valued at or Below:

- -$29,500 per Unit for an Efficiency
- -$33,816 per Unit for a One Bedroom
- -$41,120 per Unit for a Two Bedroom
- -$52,195 per Unit for a Three Bedroom
- -$58,392 per Unit for a Four or More Bedroom

FILE NAME: 899-002.IMA

Affordable Housing Disposition Program

Eligible Properties

- Single Family
  - A One-to-Four-Family Residence Including a Condominium or Manufactured Home
  - Properties are Valued at or Below:
    - $67,500 for a Single Family Residence
    - $76,000 for a Two Family Residence
    - $92,000 for a Three Family Residence
    - $107,000 for a Four Family Residence

FILE NAME: 899-004.IMA

Affordable Housing Disposition Program

Definitions

Eligible Purchasers:

- Single Family
  - A Family, Nonprofit and or Public Agency
  - A Family will Occupy the Property as Principal Residence
  - Nonprofit and Public Agencies Committed to the Resale to Eligible Families
  - Adjusted Income Does Not Exceed 115% of Area Median Income
- Multifamily
  - A Public Agency, Nonprofit Agency or For-Profit Entity
  - Makes a Commitment to Reserve 35% of the Units for Lower Income Residents

EXTENSIVE CITATION - SECTION 1609
WHICH GOVERNS AFFORDABLE HOUSING
DISPOSITION PROGRAM

PART 1609--AFFORDABLE HOUSING DISPOSITION PROGRAM

Sec.

Authority: Pub. L. No. 101-73, sec. 501, 103 Stat. 183 (12 U.S.C. 1441a).

1609.1 Authority, purpose, and scope.

This part is adopted pursuant to section 21A(c) and section 21A(b)(12) of the Federal Home Loan Bank Act, as added by section 501 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183, 363 [to be codified at 12 U.S.C. 1441a(c) and 12 U.S.C. 1441a(b)(12) respectively]. Pursuant to those sections, the Resolution Trust Corporation (RTC) is promulgating rules and regulations dealing with the disposition of eligible residential properties to qualifying purchasers to provide homeownership and rental housing opportunities for very low-income, lower-income, and moderate-income families.

The Affordable Housing Disposition Program will be carried out in accordance with applicable requirements of the Fair Housing Act (42 U.S.C. 3601-19) and other applicable civil rights authorities.

1609.2 Definitions.

(a) **Adjusted income.** The term "adjusted income" has the same meaning as such term has under section 3 of the United States Housing Act of 1937 (codified at 42 U.S.C. 1437 a (b)(5)) and 24 CFR 813.102.

(b) **Adjustment for family size.** The term "adjustment for family size" means that factor based on family size applied by the RTC to median income to determine a family's adjusted income for purposes of this program. For RTC purposes, 50 percent and 65 percent of area median income numbers shall be adjusted for family size in the same manner as HUD adjusts 50 percent numbers; and 80 percent and 115 percent numbers shall be adjusted in the same manner as HUD adjusts 80 percent numbers.

(c) **Annual income.** The term "annual income" has the same meaning as such term has under 24 CFR 813.106.

(d) **Bulk purchase offer.** The term "bulk purchase offer" means an offer to purchase in a single transaction two or more eligible residential properties.

(e) **Clearinghouse.** The term "clearinghouse" means:

(1) The State housing finance agency for the State in which an eligible residential property is located;

(2) The Office of Housing Finance Programs (or other comparable division) within the Federal Housing Finance Board; and

(3) Any national nonprofit organizations (including any nonprofit entity under title IX of the Housing and Urban Development Act of 1968) that the RTC determines has the capacity to act as a clearinghouse for information.

(f) **Eligible residential property.** The term "eligible residential property" includes eligible single family and eligible multifamily property.

(g) **Eligible multifamily property.** The term "eligible multifamily housing property" means a property consisting of more than four dwelling units (including, at the RTC's discretion, two or more contiguous single family properties aggregating more than four units):

(1) To which the RTC, as receiver or in its corporate capacity, acquires title; and

(2) That have an appraised value <u>or value determined by the RTC</u> that does not exceed the applicable dollar amount set forth in section 221(d)(3)(ii), of the National Housing Act, codified at 12 U.S.C. 1715(l)(d)(3)(ii) for elevator-type structures (without regard to any increase of such amount for high-cost areas).

(h) **Eligible single family property.** The term "eligible single family property" means a one- to four-family residence (including a condominium, cooperative, or manufactured home):

(1) To which the RTC, as receiver or in its corporate capacity, acquires title; and

(2) That has an appraised value <u>or value determined by the RTC</u> that does not exceed the applicable dollar amount set forth in the first sentence of section 203(b)(2) of the National Housing Act, codified at 12 U.S.C. 1709(b)(2), (without regard to any increase of such amount for high-cost areas).

(i) **HUD.** The term "HUD" means the U.S. Department of Housing and Urban Development.

(j) **Local Urban Homesteading Agency (LUHA).** The term "Local Urban Homesteading Agency" has the same meaning as the term has under section 810 of the Housing and Community Development Act of 1974, as amended, 12 U.S.C. 1706e and 24 CFR 590.

(k) **Lower-income occupancy requirements.** The term "lower-income occupancy requirements" means that not less than 35 percent of all dwelling units purchased by a qualifying multifamily purchaser in a single transaction shall be made available for occupancy by and maintained as affordable for lower-income families during the remaining useful life of the property in which the units are located, provided that not less than 20 percent of all units shall be made available for occupancy by and maintained as affordable for very low-income families during the remaining useful life of such property.

(l) **Lower-income families.** The term "lower-income families" means families and individuals whose incomes do not exceed 80 percent of area median income, as defined under 42 U.S.C. 1437a(b)(2) and as determined by the Secretary of HUD, with adjustment for family size.

(m) **Marketing period.** The term "marketing period" means the period of time during which qualifying purchasers have exclusive rights to make offers to purchase eligible single family properties and to submit expressions of serious interest in purchasing eligible multifamily properties. The "marketing period" begins, with respect to an eligible residential property, on the date specified in the Notice of Marketing Period issued by the RTC for the property. The "marketing period" ends, with respect to an eligible single family property, three months after the date so specified in the Notice of Marketing Period. The "marketing period" ends, with respect to an eligible multifamily property, three months after the date so specified in the Notice of Marketing Period or on the date on which the RTC, in its discretion, determines that the property is ready for sale, whichever occurs first.

(n) **Median income for the area.** The term "median income for the area" has the same meaning as the term has under section 8 of the United States Housing Act of 1937, codified at 42 U.S.C. 1437a. For RTC purposes, 65 percent of area median income numbers shall be based upon HUD's income limits for very low-income families and 115 percent numbers, upon HUD income limits for lower-income families.

(o) **MOU.** The term "MOU" means memorandum of understanding.

(p) **Moderate-income families.** The term "moderate-income families" means families and individuals whose incomes exceed 80 percent but do not exceed 115 percent of area median income, as determined by the Secretary of HUD, with adjustment for family size.

(q) **National nonprofit organization.** The term "national nonprofit organization" means a nonprofit organization which has membership in more than one State or operates housing and community development programs or provides technical assistance in more than one State.

(r) **Net realizable market value.** The term "net realizable market value" means a price below the market value that takes into account:

(1) Any reductions in holding costs resulting from the expedited sale of a property, including but not limited to foregone real estate taxes, insurance, maintenance costs, security costs, potential diminution of value from property being held in inventory, and loss of use of funds; and

(2) The avoidance, where applicable, of fees paid to real estate brokers, auctioneers, or other individuals or organizations involved in the sale of property owned by the RTC.

(s) **Nonprofit organization.** The term "nonprofit organization" means a private organization (including a limited equity cooperative):

(1) No part of the net earnings of which inures to the benefit of any member, shareholder, founder, contributor, or individual; and

(2) That is approved by the RTC as to financial responsibility.

(t) **Principal residence.** The term "principal residence" means the dwelling at which a household resides for at least a majority of each year.

(u) **Public agency.** The term "public agency" means any Federal, State, local, or other governmental entity; and includes any public housing agency.

(v) **Qualifying household.** The term "qualifying household" means a household:

(1) Who intends to occupy an eligible single family property as a principal residence; and

(2) Whose adjusted income does not exceed 115 percent of area median income, as determined by the Secretary, with adjustment for family size.

(w) **Qualifying multifamily purchaser.** The term "qualifying multifamily purchaser" means a public agency a nonprofit organization (including a limited equity cooperative), or a for-profit entity which makes a commitment to satisfy the lower-income occupancy requirements for any eligible multifamily property for which it makes a purchase offer.

(x) **Qualifying purchaser.** The term "qualifying purchaser" includes qualifying single family purchasers and qualifying multifamily purchasers. For bulk sales transactions, the term "qualifying purchaser" excludes qualifying households.

(y) **Qualifying single family purchaser.** The term "qualifying single family purchaser" means a qualifying household, or a public agency or nonprofit organization (including a limited equity cooperative) that agrees to either:

(1) Make an eligible single family property available for occupancy as affordable housing for lower-income families during the remaining useful life of such property; or

(2) Make the property available for purchase by such families.

(z) RTC. The term "RTC" means the Resolution Trust Corporation.

(aa) Secretary. The term "Secretary" means the Secretary of the U.S. Department of Housing and Urban Development.

(bb) **Substantially similar purchase offers.** The term "substantially similar purchase offers" means purchase offers whose terms result in comparable net proceeds to the RTC after deductions for sales expenses.

(cc) **Technical assistance advisor (TAA).** The term "technical assistance advisor" means a public agency or nonprofit organization that is designated by the RTC to provide assistance to potential purchasers of eligible residential property.

(dd) **Useful life.** The term "useful life" means the later of forty (40) years from the date of the sales contract or fifty (50) years from the date the property was initially occupied as multifamily housing.

(ee) **Very low-income families.** The term "very low-income families" means families and individuals whose incomes do not exceed 50 percent of area median income, as defined under 42 U.S.C. 1437a(b)(2) and as determined by the Secretary of HUD, with adjustment for family size.

3609.3 Clearinghouses.

(a) **Eligibility.** Clearinghouses shall include:

(1) The State housing finance agency for the State in which an eligible residential property is located;

(2) The Office of <u>Housing Finance Programs</u> (or other comparable division) within the Federal Housing Finance Board, and

(3) Any national nonprofit organization(s) that the RTC determines has the capacity to act as a clearinghouse for information.

(b) **Designation.**

(1) State housing finance agencies. The RTC shall ask the Governor of each State to confirm the designation of the State housing finance agency to serve as a clearinghouse. At the Governor's discretion, the clearinghouse function may be supported, in part, by a State agency, which is not a State housing finance agency, serving as a technical assistance advisor.

(2) Office of Housing Finance Programs. The RTC shall ask the Federal Housing Finance Board (FHFB) to designate the Office of Housing Finance Programs or other comparable division to serve as a clearinghouse. At the FHFB's discretion, the clearinghouse function may be delegated to, or supplemented in whole or part by, its District Banks.

(3) National nonprofit organizations. The RTC shall ask national nonprofit organizations to submit a written request for designation as a clearinghouse. The request should take the form of a written expression of interest in serving as a clearinghouse; evidence of Internal Revenue Code Section 501(c)(3) designation; a list of cities and States in which the organization is operating; a description of experience in promoting low- and moderate-income housing; the latest annual report; and a description of means by which the organization will disseminate property information. The RTC may, in its discretion, accept or reject such a request in writing.

(c) **Functions.**

(1) Clearinghouses shall perform the following functions which will be terms of a MOU to be determined administratively by the RTC:

(i) Serve as a repository of property listings and Notices of Marketing Period from the RTC for public inspection; and

(ii) Make information available upon request during the Marketing Period to qualifying purchasers concerning eligible residential properties for which the clearinghouse has received a Notice of Marketing Period.

(2) Clearinghouses are encouraged to perform the following functions:

(i) Disseminate RTC property inventories as well as listings of properties for which they have received Notices of Marketing Period for sale on a regular basis to State and local government agencies, nonprofit housing organizations, for-profit entities; organizations representing special population groups such as the homeless, and disabled, handicapped, and elderly persons; and members of minority groups.

(ii) Publicize the availability of eligible residential properties through various media, including newspapers and other media serving minority groups.

(3) A clearinghouse shall not be subject to suit for its failure to comply with the requirements of this section.

1609.4 Technical assistance advisors.

(a) **Eligibility.** Technical assistance advisors may include clearinghouses, State and local public agencies, and nonprofit organizations.

(b) **Designation.** An eligible entity may submit a written request to the RTC regional office for designation as a TAA. The request should include a written expression of interest in serving as a TAA; evidence of Internal Revenue Code Section 501(c)(3) designation, where applicable; a description of experience in promoting low- and moderate-income housing; and a description of the functions that the entity proposes to perform, identifying staffing capability to perform such functions. The RTC may, in its discretion, accept or reject such a request in writing.

(c) **Functions.** A TAA may assist a purchaser of an eligible single family property, eligible multifamily property, or both. It may perform one or more of the following functions:

(1) Qualifying single family property purchasers;

(2) Assisting qualifying households to identify suitable properties and secure financing;

(3) Assisting qualifying multifamily purchasers to identify suitable properties and secure financing;

(4) Assisting sponsors of housing for special populations, such as homeless, disabled, handicapped, and elderly persons, in identifying suitable properties and secure financing;

(5) Providing specialized assistance to qualifying lower-income purchasers; or

(6) Assisting in other promotional services as needed by the RTC such as information dissemination, identification of qualifying purchasers, and other promotional activities as needed.

(d) **Compensation.**

(1) The RTC shall enter into a MOU with each technical assistance advisor which will specify the services that the TAA will perform.

(2) The MOU may provide that the RTC shall compensate the TAA for its services on a basis agreed upon between the RTC and the TAA. Compensation arrangements may include special compensation for services which lead to the purchase of eligible properties by lower-income families.

1609.5 **Brokers and other marketing specialists.**

(a) **Designation.** The RTC shall involve brokers, auctioneers and other marketing specialists in the marketing of eligible residential properties that it offers for sale.

(b) **Functions.** The broker, auctioneer, or other marketing specialists shall:

(1) Actively market the eligible residential properties on its listing, including using multi-listing services, as appropriate, and advertising in local media <u>and</u> media targeted to low- and moderate-income families <u>(including those who are</u> members of minority groups).

(2) Pre-qualify and counsel prospective purchasers, as prescribed by the RTC;

(3) Provide an opportunity for prospective purchasers to inspect the property and to review property records, including purchasers identified by technical assistance advisors, without regard to race, color, religion, sex, national origin, handicap, and familial status;

(4) Certify that they: (i) Will not decline to show properties, or discriminate in the marketing or sale of properties because of race, color, religion, sex, national origin, handicap, or familial status; (ii) Will prominently display the Fair Housing Poster in all offices where brokering and sales activities take place; (iii) Will use the Equal Housing Opportunity logo, slogan, or statement in advertising; and (iv) Will use any available minority media (in addition to other media that is used) when advertising properties.

(5) Present offers or contracts from qualifying purchasers to the RTC for acceptance, rejection, or counter offer, along with certifications of eligibility from the qualifying purchasers; and

(6) Perform all other responsibilities incident to the sale and closing.

(c) **Compensation.** The RTC shall enter into a listing agreement with each broker which specifies the mutual responsibilities of the RTC and the broker and which provides for compensation as a percentage of the sales price of a property sold with the broker's services. The RTC shall compensate the auctioneers and other marketing specialists for their services on the basis of a contract which specifies the services to be provided and rate of compensation. <u>Compensation arrangements may include incentives for the sale of properties to qualifying lower income families and individuals.</u>

1609.6 RTC staff.

(a) **Designation.** The RTC shall designate an affordable housing disposition specialist on the staff of each regional and consolidated office.

(b) **Functions.** The affordable housing disposition specialists shall perform the following functions:

(1) Coordinate sales of eligible residential properties in each office and serve as an advocate for the program;

(2) Review and approve written requests from eligible entities to serve as technical assistance advisors;

(3) Negotiate an MOU with each TAA regarding the services to be performed and the method and amount of compensation;

(4) Within a reasonable time after acquisition of title to eligible residential properties, send a list of eligible residential properties to clearinghouses with a Notice of Marketing Period, and list properties with a broker or otherwise arrange for the sale of properties by other marketing specialists;

(5) Enter into a listing agreement with brokers or contract with other marketing specialists concerning the services provided and amount of compensation;

(6) Monitor marketing efforts of clearinghouses, technical assistance advisors, and brokers or other marketing specialists, giving particular attention to marketing of eligible single family properties for sale to lower-income families and marketing of properties to special populations and minority groups;

(7) Identify potential sources of financing for eligible residential properties through coordination with Federal, State, and local agencies and private lenders and investors;

(8) Coordinate with other Federal agencies that are selling residential properties in the same market areas;

(9) Collect and report data on marketing and sales of eligible residential properties as required by the RTC, including available data on race, ethnicity, and gender of purchasers; and

(10) Carry out all other necessary activities for the program.

1609.7 Marketing period.

(a) Eligible single family property.

(1) Notice of Marketing Period.

(i) When an eligible single family property is ready for marketing, the RTC shall send a Notice of Marketing Period to the clearinghouses serving the area in which the property is located. The Notice shall be transmitted by certified mail or any other means of communication with date and time confirmation.

(ii) The property listing accompanying the Notice shall contain basic information on the property including, at a minimum, information on property location, size, construction, condition, number of rooms, number of bedrooms, number of bathrooms, fair market value, and contact person.

(iii) The Notice shall specify a date that begins the start of the Marketing Period.

(2) Qualifying single family purchasers.

(i) Households. To qualify to purchase an eligible single family property, a household must certify in writing to the RTC : (A) that its adjusted income does not exceed 115 percent of area median income, with adjustment for family size; and (B) that it intends to occupy the property as a principal residence. The form will follow the elements outlined in 24 CFR 813 to calculate a household's adjusted income based on income and assets with the appropriate allowances for dependent and medical expenses. The required certification will be included as a part of an addendum to the sales contract.

(ii) Public agencies and nonprofit organizations. To qualify to purchase one or more eligible single family properties, a public agency or nonprofit organization (including a limited equity cooperative) must certify to the RTC that it will: (A) make the property available for occupancy by and maintain it as affordable for lower-income families for the remaining useful life of such property; or (B) make the property available for purchase by lower-income families. The required certification governing the lower-income rental and resale restrictions will be included as a part of an addendum to the sales contract.

(3) Offer and sale.

(i) The RTC shall establish a market value for each eligible single family property. The RTC shall also establish a net realizable market value for each eligible single family property in accordance with instructions provided to each RTC office.

(ii) The RTC shall consider offers during the Marketing Period from qualifying single family purchasers on a first-come, first-served basis and shall sell an eligible single family property to any qualifying purchaser which makes an offer at or above the net realizable market value of the property.

(4) Preference for purchaser from lower income group. In choosing among substantially similar sales offers for an eligible single family property, the RTC will give preference to the bid from the household in the lower income group (e.g., very low-income over lower-income).

(5) Deed restrictions. Eligible single family properties purchased by a public agency or nonprofit organization for rental or resale to lower-income families must be so restricted by deed or other recorded instrument which is binding upon successors in interest, with the proviso that the property may subsequently be sold to a lower-income family without further restrictions.

(6) Restrictions on the rental of single family properties.

(i) In the event that a public agency or nonprofit organization purchases one or more eligible single family properties for rental purposes, the rents charged to very low-income families may not exceed 30 percent of the adjusted income of a family whose income equals 50 percent of area median income, with adjustment for family size; and the rents charged to lower-income families may not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of area median income, with adjustment for family size.

(ii) Where a unit is occupied by a family receiving housing assistance payments, pursuant to section 8 of the U.S. States Housing Act of 1937, as amended, the family's contribution toward rent may not exceed 30 percent of the family's adjusted income, and the rent on the unit may not exceed 30 percent of 50 percent of area median income.

(7) Property offered for resale. If the RTC receives a purchase offer, but fails to close on an eligible single family property, the RTC may accept an alternative contract offer or notify the appropriate clearinghouses so that the property can be re-offered for sale for an appropriate interval: 90 days, if the offer was received in the first month; 60 days, if the offer was received in the second month; and 30 days, if the offer was received in the third month.

(8) Sales after the marketing period. If the RTC does not receive and accept a purchase offer for an eligible single family property within the applicable marketing period, the RTC may sell the property to any purchaser.

(b) Eligible multifamily property.

(1) Notice of Marketing Period.

(i) The RTC shall send a Notice of Marketing Period to clearinghouses when an eligible multifamily property is ready for marketing to qualifying multifamily purchasers. The Notice shall be transmitted by certified mail or any other means of communication with date and time confirmation.

(ii) The property listing accompanying the Notice shall include, at a minimum, basic information on property location, condition, and age, number of units, number of units by bedroom size, monthly rents by bedroom size, percentage of units occupied, amenities, estimated fair market value of the property, and contact person.

(iii) The Notice shall specify a date that begins the start of the marketing period.

(iv) During the marketing period, the RTC shall offer an eligible multifamily property exclusively to qualifying multifamily purchasers.

(v) The RTC shall allow qualifying multifamily purchasers reasonable access to eligible properties for purposes of inspection.

(2) Qualifying multifamily purchasers. Prior to receiving access to an eligible multifamily property, a public agency, nonprofit organization, or for-profit entity must make a written commitment (for itself or any related entity) to the listing broker or other marketing specialist that it is a qualifying multifamily purchaser which will satisfy the lower-income occupancy requirements for any eligible multifamily property for which it makes a purchase offer. The written commitment should acknowledge the terms and conditions governing the sale of eligible multifamily properties. This commitment will be included as a part of the bid package.

(3) Determination of market value. The RTC shall establish a market value for each eligible multifamily property, giving consideration to the lower-income occupancy requirements and the related rent limitations. The RTC shall also establish a net realizable market value for each eligible multifamily property in accordance with instructions provided to each RTC office.

(4) Lower-income occupancy requirements.

(i) Rent limitations.

(A) To comply with lower-income occupancy requirements, the rents charged to very low-income families may not exceed 30 percent of the adjusted income of a family whose income equals 50 percent of area median income, with adjustment for family size; and the rents charged to lower-income families may not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of area median income, with adjustment for family size.

(B) Where a unit is occupied by a family receiving housing assistance payments, pursuant to section 8 of the U.S. States Housing Act of 1937, as amended, the family's contribution toward rent may not exceed 30 percent of the family's adjusted income, and the rent on the unit may not exceed 30 percent of 50 percent of area median income.

(ii) Continued occupancy of current residents. No purchaser of an eligible multifamily property may terminate the occupancy of any person residing in the property on the date of purchase for purposes of meeting the lower-income occupancy requirement. The purchaser shall be in compliance with the requirement if each newly vacant dwelling unit is reserved for lower-income occupancy until the lower-income occupancy requirement is met.

(iii) Financial infeasibility. The Secretary or the State housing finance agency for the State in which the property is located may temporarily reduce the lower-income occupancy requirements applicable to a property sold under this program if the Secretary or the applicable State housing finance agency determines that an owner's compliance with such requirements is no longer financially feasible. The owner of the property shall make a good-faith effort to return lower-income occupancy to the level required by the property's deed, and the Secretary or the State housing finance agency, as appropriate, shall review the reduction annually to determine whether financial infeasibility continues to exist.

(5) Expression of Serious Interest. Before the end of the marketing period, a qualifying multifamily purchaser may express serious interest in purchasing an eligible multifamily property from the RTC. The expression of serious interest shall be submitted to the listing broker or other marketing specialist and shall provide evidence that the purchaser intends to prepare a bona fide offer and has the ability to purchase the property. At a minimum, the documentation supporting the expression of serious interest, would include:

(i) Confirmation of public, nonprofit, or for-profit status;

(ii) A governing body resolution, where applicable, authorizing the purchase and affirming the commitment to meet the lower-income occupancy requirements;

(iii) A financial statement and evidence of a source of equity funds; and

(iv) Certification of no prior exclusion from federal procurement or non-procurement programs.

(6) Notice of Readiness for Sale. At the end of the marketing period, the RTC will send a Notice of Readiness for Sale to each qualifying multifamily purchaser that submitted a

written expression of serious interest in an eligible multifamily property. This Notice will outline the minimum terms and conditions for sale of the property.

(7) Bona fide offer. Within forty-five days after receipt of a Notice of Readiness for Sale, a qualifying multifamily purchaser may submit a bona fide offer to purchase the property. The bona fide offer, as specified in the bid package, should include:

(i) A sales contract constituting a binding offer for a sum certain accompanied by a reasonable and customary earnest money deposit;

(ii) A conditional commitment for financing from a lender;

(iii) A written commitment to meet specific lower-income occupancy objectives and a process for complying with these objectives;

(iv) A written description of experience in housing ownership or management, preferably of low- and moderate-income housing; and

(v) Reaffirmation or revision of the information submitted with the expression of serious interest.

(8) Preference for sales. In choosing among substantially similar purchase offers for eligible multifamily property or combinations of eligible residential properties, the RTC will give preference to the offer that would reserve the highest percentage of dwelling units for occupancy or purchase by very low-income families and lower-income families and would retain such affordability for the longest term.

(9) Deed restrictions.

(i) Low-income occupancy requirements shall be judicially enforceable against purchasers of eligible multifamily property or their successors in interest by affected very low- and lower-income families, State housing finance agencies, and any agency, corporation, or authority of the United States Government.

(ii) Lower-income occupancy requirements shall be contained in a deed or other recorded legal instrument which shall require the property owner to cooperate with an annual compliance review and to pay a reasonable fee to cover the cost of the review.

(10) Sale to other purchasers. If the RTC does not receive an expression of serious interest with respect to an eligible multifamily property during the marketing period, or does not receive and accept a bona fide offer for such a property

within the forty-five-day period following the date of receipt of a Notice of Readiness for Sale, the RTC may sell the property, individually or in combination with other properties, to any purchaser.

1609.8 Bulk sales.

(a) Packaging and marketing eligible residential properties for bulk sale.

(1) The RTC may identify and qualifying purchasers may propose packages of eligible residential properties for bulk sale. However, the RTC reserves the right to determine the final composition of assets in the bulk sale package.

(2) The RTC shall establish a market value for each bulk sale package in accordance with instructions provided to each RTC office.

(3) When the RTC identifies a package of eligible residential properties for bulk sale the RTC shall send to clearinghouses a Notice of Marketing Period in accordance with section 1609.7(a)(1) or 1609.7(b)(1).

(b) Offer and sale of single family property in bulk.

(1) The RTC shall consider and in its discretion may accept bulk sales offers during the marketing period from qualifying single family purchasers (public agencies and nonprofit organizations) on a first-come, first-served basis.

(2) In choosing among substantially similar sales offers for a bulk sale package, the RTC will give preference to the bid which will serve the largest proportion of very low-income families.

(3) Applicability of income restrictions. When eligible single family properties are sold and a bulk sales transaction completed, during the marketing period, eligible single family properties will be subject to lower-income family rental and resale deed restrictions in accordance with section 1609.7(a).

(4) Sale to other purchasers. If no offer is received and accepted during the marketing period, the RTC may accept individual or bulk purchase offers from any purchasers.

(c) Offer and sale of multifamily properties in bulk.

(1) Expression of Serious Interest.

(i) During the marketing period, a qualifying multifamily purchaser may submit an expression of serious interest in a bulk sale package offered by the RTC in accordance with section 1609.7(b)(5).

(ii) During the marketing period, a qualifying purchaser also may submit an expression of serious interest in a bulk sale package of its own choice accompanied by a list of eligible multifamily properties.

(2) Notice of Readiness for Sale. At the end of the marketing period, the RTC shall send a Notice of Readiness for Sale to each qualifying purchaser who has expressed serious interest in making a bulk purchase. This notice will outline the minimum terms and conditions for the sale of the bulk sale package.

(3) Bona Fide offer. Within forty-five days of the receipt of the Notice of Readiness for sale, a qualifying multifamily purchaser may submit a bona fide purchase offer for the bulk sale package. A qualifying multifamily purchaser, in its discretion, may submit both individual and bulk sales offers for each multifamily property for which the RTC received an expression of serious interest from a purchaser interested in an individual sale. The offers will be in conformance with the requirements in section 1609.7(b)(7).

(4) In choosing among substantially similar purchase offers for individual properties in a bulk sale or among offers for a bulk sale package, the RTC will give preference to the bid that reserves the highest percentage of dwelling units for occupancy by lower-income and very low-income families.

(5) Applicability of income restrictions. When eligible multifamily properties are sold in a bulk sales transaction initiated by an expression of serious interest during a marketing period, eligible multifamily properties will be subject to lower-income occupancy requirements specified in 1609.7(b).

(6) Sale to other purchasers. If the RTC does not receive an expression of serious interest in a bulk sale package during the marketing period, or does not receive and accept a bona fide bulk purchase offer within forty-five days of receipt of a Notice of Readiness for Sale, the RTC may accept individual or bulk purchase offers for the property in the bulk sale package from any purchasers.

1609.9 Reporting.

(a) RTC regional offices will track all sales of eligible residential property and maintain the following information for analysis and reports to the Oversight Board:

(1) Property description;

(2) Property type (single family, multifamily, condominium, cooperative, rental, etc.);

(3) Last appraised value and date;

(4) Dates and amounts of any reductions in market value applied prior to, during or after the marketing period;

(5) Marketing period;

(6) Number of bids received;

(7) Sale price/terms;

(8) Purchased for low or moderate income use;

OUT ~~(9) Name and profile of buyer;~~ ? WHAT EVER

(10) Income and family size;

(11) Source of financing; and

(12) Referral source for buyer;

(b) While the RTC does not require the maintenance or reporting of race, ethnic, and gender data, such information should be made available to the RTC regarding purchasers and occupants of single family and multifamily properties, if such data are available.

(c) A detailed report of each sale and a summary of sales per region will be mailed monthly to RTC Headquarters in Washington.

(d) RTC regional offices will (i) track sales of properties from conservatorships which would be eligible properties if owned by the RTC as receiver, and (ii) to the extent feasible, maintain with respect to such properties the same information as required at section 1609.9(a) for eligible properties. RTC regional offices will provide such reports to RTC Headquarters on a monthly basis or on such other periodic basis as may be specified by RTC.

By order of the Board of Directors, this th day of July 1990.

RESOLUTION TRUST CORPORATION

John M. Buckley, Jr.
Executive Secretary

(SEAL)

RTC
Resolution Trust Corporation

August 28, 1990

Mr. William H. Walsh
City Councillor
Cambridge City Council
City Hall
Cambridge, Massachusetts 02139

Dear Mr. Walsh:

I am in receipt of your letter to Mr. Paul Wiechman, Regional Director of The Federal Deposit Insurance Corporation dated August 9, 1990.

We appreciate your interest in The Resolution Trust Corporations Affordable Housing Program. We are responsible for disposing of all assets acquired from failed thrifts including Affordable Housing residential units. Affordable Housing units are qualified as having appraised values under $67,500 for a single family unit and multifamily units have established values based upon the number of bedrooms in each unit. These values are explained in detail in the attached material. I am responsible for monitoring (supervising) The Affordable Housing Program.

I, of course, welcome your interest in this area. Unfortunately, as of this writing there are no such units in the Cambridge area. If, and when they do become available, I will be in immediate contact with you.

If there are any more questions, I will be glad to answer them. To receive specific program information in Massachusetts please call Cheryl Walker at 215-650-8500, Ext. 2747. She is located in our Northeast Consolidated Office in King of Prussia, PA (Philadelphia). Or you can call Earl R. Hottinger at 404-225-5669 in our regional office here in Atlanta.

245 Peachtree Center Avenue, NE ¤ Suite 1100 ¤ Atlanta, Georgia 30303

August 28, 1990

Mr. William H. Walsh
City Councillor
Cambridge City Council
City Hall
Cambridge, Massachusetts 02139

To provide you with immediate facts about The Affordable Housing Program I have enclosed the recently published final rule for The Affordable Housing Program, an instruction booklet for real estate brokers and several fact sheets.

Sincerely,

A.J. Felton
Deputy Regional Director

cc: William M. Dudley
Paul Wiechman
Cheryl Walker
Earl R. Hottinger
David Noonan

Enc.

FDIC
Federal Deposit Insurance Corporation
452 Fifth Avenue, New York, New York 10018
New York Regional Office-Liquidation

September 7, 1990

Mr. William H. Walsh
City Councillor
Cambridge City Council
City Hall
Cambridge, MA 02139

Dear Mr. Walsh:

Mr. Paul Wiechman, the Regional Director of the Division of Supervision, forwarded your letter of August 9th to us at the Division of Liquidation for our consideration. We are immediately placing you on our mailing list for correspondence offering Real Estate properties for sale.

Certain sections of Financial Institutions Reform Recovery Enforcement Act (FIRREA) are relevant to your inquiry.

Section 212(d)(16) of FIRREA authorizes the FDIC to enter into contracts with any state "housing finance authority" (defined as any public agency which serves as an instrumentality of state and functions as a source of residential mortgage loan financing in that state) for the <u>sale</u> of "mortgage related assets" (defined as residential mortgage loans secured by 1 to 4 family or multi-family dwellings and real property improved with such dwellings).

In evaluating such <u>sales</u>, the FDIC is required to consider the following factors:

1) The State housing finance authority's ability to acquire and service current, delinquent, and defaulted mortgage related assets.

2) The State finance authority's ability to further national housing policies.

3) The State housing finance authority's sensitivity to the impact of the sale of mortgage related assets upon the State and local communities.

4) The costs to the Federal Government associated with alternative ownership or dispositions of the mortgage related assets.

5) The minimization of future guaranties which may be required of the Federal Government.

6) The maximization of mortgage related asset values; and

7) the utilization of institutions currently established in mortgage related asset market activities.

Section 212(h) requires the FDIC to "fully consider" the adverse economic impact on local communities of actions to be taken by it during the administration and liquidation of a failed bank.

Miss LaTrenda Lingenfelter, the Department Head for Owned Real Estate at our Boston Area Consolidated Office, will be responsible for placing you on the appropriate mailing list. You may contact her by writing to:

Federal Deposit Insurance Corporation
100 Medway Road
P.O. Box 1
Milford, MA 01757

You may also call her at (508) 478-1000 Ext. 412.

If for some reason Miss Lingenfelter is not available, please feel free to call Mr. Lynn T. Leffert, Assistant Managing Liquidator - Credit, who is also in the Milford office.

Sincerely,

Robert M Cittadino

Robert M. Cittadino
Deputy Regional Director

cc: Lynn Leffert
LaTrenda Lingenfelter

RTC

Resolution Trust Corporation

MAILING ADDRESS:
Northeast Consolidated Office
P.O. Box 1500
Valley Forge, PA 19482-1500

CORPORATE LOCATION:
Valley Forge Corporate Center
1000 Adams Avenue
King of Prussia, PA 19406-0902

September 6, 1990

Mr. William H. Walsh
City Counselor
Cambridge City Council
City Hall
Cambridge, MA 02139

Dear Mr. Walsh:

I am in receipt of your August 8, 1990 letter to Mr. Steve Wood, Director of the Northeast Consolidated Office of The Resolution Trust Corporation.

Briefly, the objective of the affordable housing disposition program is to provide homeownership and rental housing opportunities to low and moderate income families. Eligible residential properties acquired from failed savings and loan institutions are marketed for sale exclusively to qualifying purchasers for ninety (90) days. Enclosed is a fact sheet that explains the criteria for determining property eligibility. Information about properties available for sale can be obtained from listing brokers, clearinghouses or the RTC NECO/Phila-Sales Center. Clearinghouses for the state of Massachusetts will include the Federal Home Loan Bank-Boston and the Massachusetts Housing Finance Agency.

I commend you for your efforts to form public/private partnerships with the goal towards preserving affordable housing units. Unfortunately, there are no RTC-owned affordable housing properties in Cambridge. I will contact you as properties become available for sale.

If you have additional questions, please do not hesitate to call me at (215)650-8500, extention 2747.

Sincerely,

Cheryl Walker

Cheryl Walker
Affordable Housing Disposition Specialist

enclosures

cc:Steve Wood

CW/ns

CCM-101

City of Cambridge

8.

IN CITY COUNCIL

COUNCILLRO WALSH

September 24, 1990

WHEREAS: Our efforts to increase the stock of affordable housing available for very low, low and moderate income families can receive an added boost if Cambridge commits itself, with no financial cost to the City, to participation in a public/private partnership as outlined in the recently adopted Affordable Housing Disposition Program which is administered by the Resolution Trust Corporation. The attached materials including, among other things, a summary of the program, specifics of the legislation relevant thereto, as well as the expressed encouragement from RTC administrators and personnel, make it clear that this program can be in place and operative very quickly as an additional avenue of access to affordable housing, be it owned or rental, for residents of the Cambridge community; and

WHEREAS: While the attached correspondence from RTC indicates that no eligible residential property is available at the present moment in Cambridge, it behooves us to be prepared to respond quickly when and as the RTC advises the City that such property or properties is or are available for disposition in accordance with RTC guidelines (specifics attached); now therefore be it

ORDERED: That the City Manager initiate the process which will integrate and annex the RTC program with the Affordable Housing Trust, the Cambridge Community Development Department and, through the instrumentality of both, reach out to non-profit and for-profit entities within the City which have exhibited a proven expertise in the provision of low and moderate income housing, as wella s investors, so that a new phase in public/private partnership in providing additional affordable housing will be brought about; and be it further

ORDERED: That, upon enactment of this Order, the City Manager advise the appropriate person at RTC (Ms. Cheryl Walker, Affordable Housing Disposition Specialist) accordingly and invite her or through her designated representative of RTC to join the Council membership at a regularly scheduled Council session for a formal ceremony to announce this new partnership.

attachment

SEP. 24 1990

City Council

Adopted by the affirmative vote of 9 members

Joseph E. Conniston

City Clerk

Order # 8 F-527

Councillor Walsh re: Affordable Housing
Disposition Program.

In City Council,

Sept. 24, 1990

Order adopted