

C A S C A P  
I N C

678 MASSACHUSETTS AVENUE 10TH FLOOR CAMBRIDGE MASSACHUSETTS 02139  
PHONE 617.492.5559 FAX 617.492.6928 TTY 617.234.2992

April 6, 1998

Lauren Curry, Chair  
Zoning Board of Appeals  
City of Cambridge  
831 Massachusetts Avenue  
Cambridge, MA 02139

Re: Your Case No. 7610, Comprehensive Permit granted for  
165 Western Avenue by Decision filed with Cambridge  
City Clerk on January 22, 1998

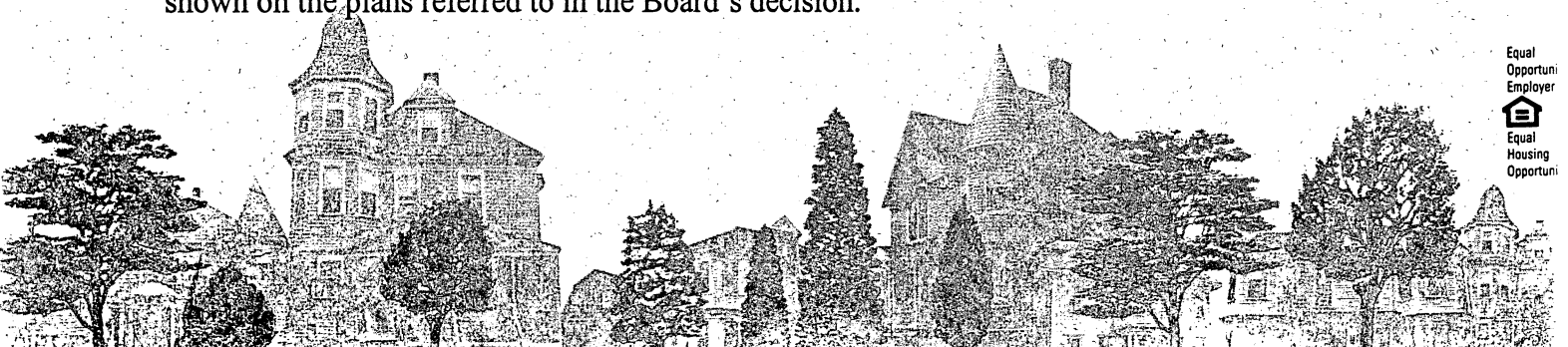
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CAMBRIDGE MA.

Dear Chair and Board Members:

As you may recall, by your decision in the above-captioned matter filed with the City Clerk on January 22, 1998, the Board granted a Comprehensive Permit to CASCAP, Inc. to convert the existing vacant and dilapidated building at the above location into nine affordable apartments for low and moderate income individuals. Your decision was issued in accordance with the applicable requirements of G.L. c. 40B, Sections 20-23 and the regulations promulgated thereunder at 760 C.M.R. 30 and 31 (the "Comprehensive Permit Law and Regulations").

Among the items of relief requested in CASCAP's application for a Comprehensive Permit was a request to obtain relief from the off-street parking requirements of the Cambridge Zoning Ordinance. As you may recall, after discussion at the public hearing held on this application, the Board granted relief for two off-street parking spaces to be provided as shown on plans submitted to the Board on the evening of the public hearing.

Subsequent to the filing of the Board's decision with the City Clerk, a question has been raised regarding whether or not the Board's decision regarding off-street parking authorized a curb cut as shown on the plans reviewed by the Board and referred to in your decision. CASCAP believed that by specifically approving the curb cut and off-street parking as shown on the plans submitted to the Board at the public hearing, if not explicitly then implicitly, the Board had granted permission for a curb cut within its decision. However, the Inspectional Services Department has requested CASCAP to obtain explicit approval of the Board for a curb cut within the Comprehensive Permit granted for this project. Accordingly, CASCAP is submitting this letter to the Board with the request that the Board explicitly include the grant of a curb cut as shown on the plans referred to in the Board's decision.



Equal  
Opportunity  
Employer  
Equal  
Housing  
Opportunity

Ms. Lauren Curry

April 6, 1998

Page Two

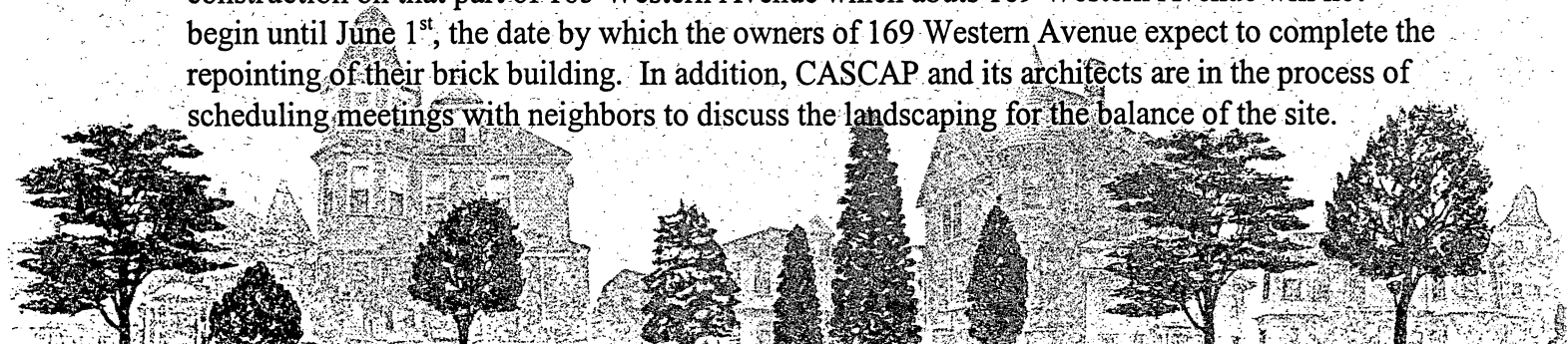
We believe this request is not a "substantial" change to your original decision. The Comprehensive Permit Statute and Regulations specifically authorize the Board to find that this request is not a "substantial" change and to modify the Comprehensive Permit granted to incorporate the changes without any further public hearing. Attached for the Board's reference is a copy of 760 C.M.R. 31.03. Section 3 of this provision pertains to changes after the issuance of a Comprehensive Permit. Section 3(a) and (b) authorize CASCAP to notify the Board in writing of the change and authorize the Board within twenty (20) days of such notification to determine whether or not the change is substantial or insubstantial. If the change is determined to be insubstantial, the Comprehensive Permit shall be deemed to be modified to incorporate the change.

Section 2 of this regulation provides examples of changes which are substantial and those which are not. After reviewing the examples in Section 2, CASCAP believes and hopes the Board will agree that the curb cut for this project is consistent with the Comprehensive Permit granted by the Board in this matter and explicitly accomplishes what the Board, if not explicitly, then implicitly provided in its decision. As such, this request is an insubstantial change to the Board's decision and may be incorporated in the decision in accordance with Section 31.03 of the Comprehensive Permit Regulations.

We are enclosing site plan A-1C showing two tandem parking spaces with a single width curb cut for your reference. This is the same plan which was submitted to the Board at the public hearing and which is referred to in the Board's decision. Based on all of the above, CASCAP respectfully requests that the Board find this change to be insubstantial as defined in the Comprehensive Permit Regulation and accordingly modify its original decision to explicitly authorize the curb cut as shown on the enclosed plan.

For the Board's information, CASCAP has received financing commitments for the project from the Community Economic Development Assistance Corporation, Cambridge Affordable Housing Trust, Massachusetts Department of Housing and Community Development, and Boston Community Capital. Enclosed please find commitment letters from each of these lenders. An award of project based operating subsidies from the Cambridge Housing Authority is imminent.

After the Comprehensive Permit was awarded in December, CASCAP signed a Mutual Access Agreement with the owners of 169 Western Avenue. This Agreement specifies that construction on that part of 165 Western Avenue which abuts 169 Western Avenue will not begin until June 1<sup>st</sup>, the date by which the owners of 169 Western Avenue expect to complete the repointing of their brick building. In addition, CASCAP and its architects are in the process of scheduling meetings with neighbors to discuss the landscaping for the balance of the site.



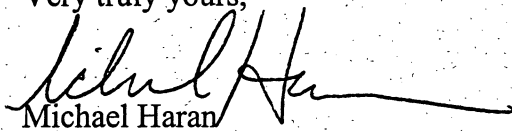
Ms. Lauren Curry

April 6, 1998

Page Three

We hope this information is helpful in updating the Board as to our progress with this project and that the enclosed materials are sufficient to authorize the Board to amend your earlier decision for the purpose of explicitly granting a curb cut as shown on the enclosed plans. If you should require any further information about this request, please contact me (234-2905), Bradley Day, our Director of Property Development (234-2919), or Wendy Cohen, our Project Manager (234-2924), and we will be happy to provide it. Thank you for your consideration.

Very truly yours,



Michael Haran  
Executive Director

cc: ✓ Margaret Drury, Cambridge City Clerk  
Roger Herzog, Housing Director, Cambridge Community Development  
Robert Bersani, Building Commissioner  
James L. Buechl, Esquire



31.02: continued

~~(2) In order to appeal to the Committee, the applicant shall have submitted to the Board an application and a complete description of the proposed project. The items listed below will normally constitute a complete description. Failure to submit a particular item shall not necessarily invalidate an application. Upon motion by either party during an appeal, the Committee may determine whether such item, or any further item not listed, should have been submitted to the Board or should be submitted to the Committee.~~

- ~~(a) preliminary site development plans showing the locations and outlines of proposed buildings; the proposed locations, general dimensions and materials for streets, drives, parking areas, walks and paved areas; and proposed landscaping improvements and open areas within the site. An applicant proposing to construct or rehabilitate four or fewer units may submit a sketch of the matters in 760 CMR 31.02(2)(a) and 31.02(2)(c) which need not have an architect's signature. All structures of five or more units must have site development plans signed by a registered architect;~~
- ~~(b) a report on existing site conditions and a summary of conditions in the surrounding areas, showing the location and nature of existing buildings, existing street elevations, traffic patterns and character of open areas, if any, in the neighborhood. This submission may be combined with that required in 760 CMR 31.02(2)(a);~~
- ~~(c) preliminary, scaled, architectural drawings. For each building the drawings shall be signed by a registered architect, and shall include typical floor plans, typical elevations, and sections, and shall identify construction type and exterior finish;~~
- ~~(d) a tabulation of proposed buildings by type, size (number of bedrooms, floor area) and ground coverage, and a summary showing the percentage of the tract to be occupied by buildings, by parking and other paved vehicular areas, and by open areas;~~
- ~~(e) where a subdivision of land is involved, a preliminary subdivision plan;~~
- ~~(f) a preliminary utilities plan showing the proposed location and types of sewage, drainage, and water facilities, including hydrants;~~
- ~~(g) documents showing that the applicant fulfills the jurisdictional requirements of 760 CMR 31.01;~~
- ~~(h) a list of requested exceptions to local requirements and regulations, including local codes, ordinances, by-laws or regulations.~~

The applicant may submit with its initial pleading to the Committee copies of such of these items as may be relevant to its appeal.

~~(3) Pursuant to M.G.L. c. 40B, § 21, as amended by St. 1989, c. 593, the Board shall adopt rules, not inconsistent with M.G.L. c. 40B, for the conduct of its business and shall file a copy of said rules with the city or town clerk. The Committee may in the course of an appeal properly before it pursuant to 760 CMR 31.02(1) determine that a particular local rule is consistent or not consistent with M.G.L. c. 40B, but no appeal shall be heard solely for the purpose of determining the validity of a rule, unless the rule is the sole basis for the denial or conditioning of a comprehensive permit. (For related requirements applying to Boards, see M.G.L. c. 44, § 53G.)~~

~~The Committee shall from time to time prepare model local rules for the benefit of Boards, and serve them upon the Boards by first class mail pursuant to 760 CMR 30.08(1). Rules adopted by a Board shall be presumed consistent with M.G.L. c. 40B to the extent that they conform to such model rules. If a Board does not adopt and file rules, it shall conduct business pursuant to the model rules.~~

### 31.03: Changes in Applicant's Proposal

(1) Substantial Changes. If an applicant involved in an appeal to the Committee desires to change aspects of its proposal from its content at the time it made application to the Board, it shall notify the Committee in writing of such changes and the Committee shall determine whether such changes are substantial. If the Committee finds that the changes are substantial, it shall remand the proposal to the Board for a public hearing to be held within 30 days and a decision to be issued within 40 days of termination of the hearing as provided in M.G.L. c. 40B, § 21. Only the changes in the proposal or aspects of the proposal affected thereby shall be at issue in such hearing. If the Committee finds that the changes are not substantial and that the applicant has good cause for not originally presenting such details to the Board, the changes shall be permitted if the proposal as so changed meets the requirements of M.G.L. c. 40B and 760 CMR 31.00.

31.03: continued

(2) Commentary and Examples. The statute requires that an applicant present its application first to a local Board of Appeals before appealing to the Housing Appeals Committee. If on appeal to the Committee the applicant wishes to make changes in its proposal from its content as originally presented to the Board, the Board should have an opportunity to review changes which are substantial.

Following are some examples of what circumstances ordinarily will and will not constitute a substantial change of the kind described above:

(a) The following matters ordinarily will be substantial changes:

1. An increase of more than 10% in the height of the building(s);
2. An increase of more than 10% in the number of housing units proposed;
3. A reduction in the size of the site of more than 10% in excess of any decrease in the number of housing units proposed;
4. A change in building type (e.g., garden apartments, townhouses, high-rises);
5. A change from rental property to homeownership or vice versa;

(b) The following matters ordinarily will not be substantial changes:

1. A reduction in the number of housing units proposed;
2. A decrease of less than 10% in the floor area of individual units;
3. A change in the number of bedrooms within individual units, if such changes do not alter the overall bedroom count of the proposed housing by more than 10%;
4. A change in the color or style of materials used;
5. A change in the financing program under which the applicant plans to receive financing, if the change affects no other aspect of the proposal.

(3) Changes after Issuance of a Permit.

(a) If after a comprehensive permit is granted by the Board or the Committee, an applicant desires to change the details of its proposal as approved by the Board or the Committee, it shall promptly notify the Board in writing, describing such change. Within 20 days the Board shall determine and notify the applicant whether it deems the change substantial or insubstantial.

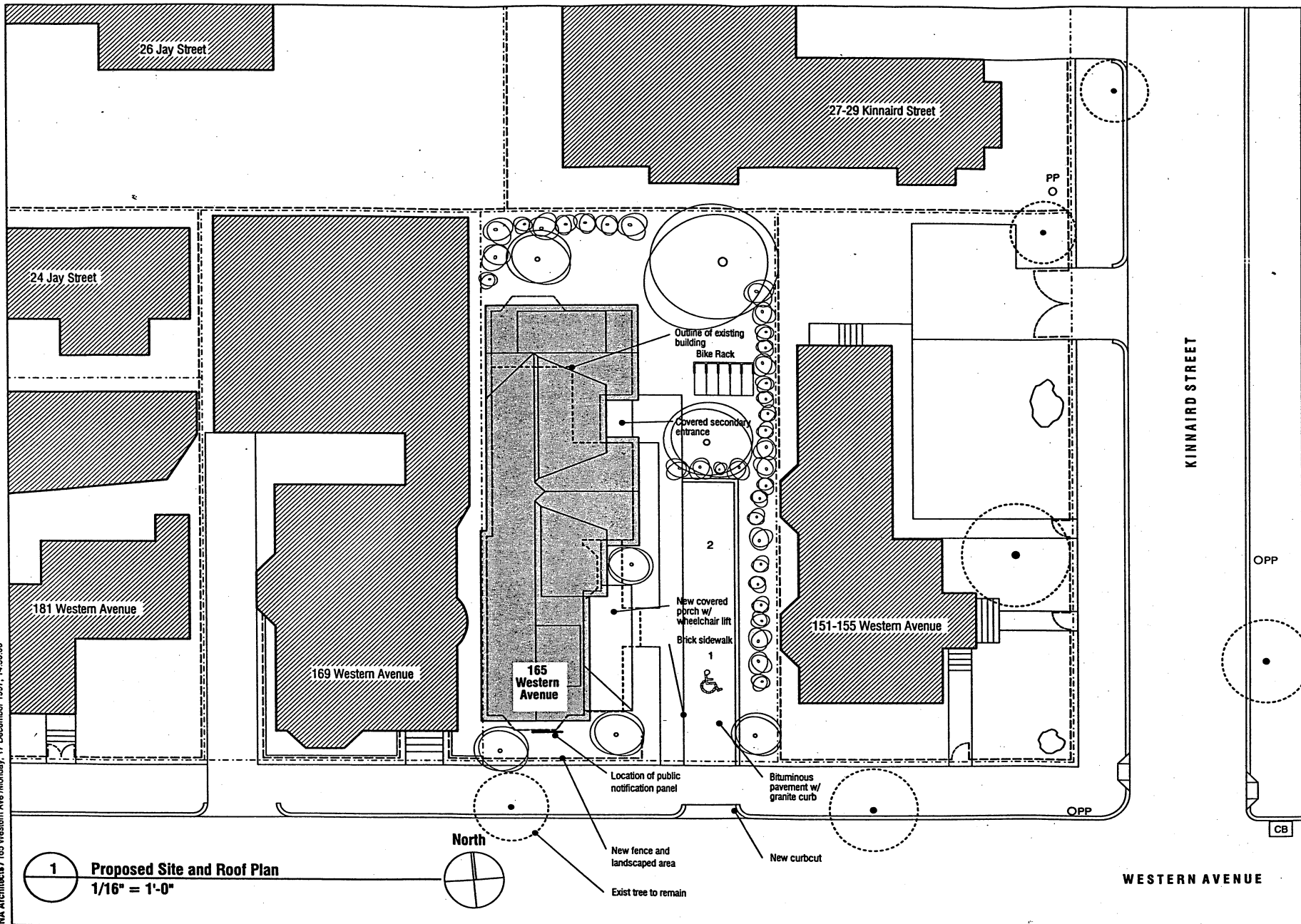
(b) If the change is determined to be insubstantial or if the Board fails to notify the applicant, the comprehensive permit shall be deemed modified to incorporate the change.

(c) If the change is determined to be substantial, the Board shall hold a public hearing within 30 days of its determination and issue a decision within 40 days of termination of the hearing, all as provided in M.G.L. c. 40B, § 21. Only the changes in the proposal or aspects of the proposal affected thereby shall be at issue in such hearing. A decision of the Board denying the change or granting it with conditions which make the housing uneconomic may be appealed to the Committee pursuant to M.G.L. c. 40B, § 22; a decision granting the change may be appealed to the superior court pursuant to M.G.L. c. 40B, § 21 and M.G.L. c. 40A, § 17.

(d) The applicant may appeal a determination that a change is substantial by filing a petition with the Committee within 20 days of being so notified. Such an appeal will stay the proceedings before the Board.

1. If the Committee rules that the change is insubstantial, it shall modify the comprehensive permit.
2. If the Committee rules that the change is substantial, it shall remand the proposal for a hearing pursuant to 760 CMR 31.03(3)(c).

NA Architects / 165 Western Ave / Monday, 17 December 1997, 14:50:00



**165 Western Avenue  
Redevelopment  
Cambridge, MA**

**Naecker Ammondson Architects**  
1132 Massachusetts Avenue  
Cambridge, MA 02138  
Tel 617.868.0439  
Fax 617.868.3704  
Email: na-architects.com

**Consultants  
Structural  
Engineer**

**Weidinger Associates, Inc.**  
One Broadway 11th Floor  
Cambridge, MA 02142  
Tel 617.374.0000  
Fax 617.374.0010

**MEP & FP  
Engineer**

**Architectural Engineers, Inc.**  
38 Chauncy Street  
Boston, MA 02111  
Tel 617.542.0810  
Fax 617.542.8451

**Civil  
Engineer**

**Merrimack Engineering Services**  
66 Park Street  
Andover, MA 01810  
Tel 508.475.3555  
Fax 508.475.1448

**Landscape  
Architect**

**John Tingley  
Landscape Architect**  
1033 Massachusetts Avenue  
Cambridge, MA 02138  
Tel 617.491.5252  
Fax 617.491.5222

**Proposed:  
Site & Roof Plan (Option 1C)**

**Drawing**

**1/16" = 1'-0"**

**Scale**

**18 December 1997**

**Date**

**Revision**

**Drawing No.**

**Comprehensive  
Permit Package**

**A-1C**

November 21, 1997

Wendy Cohen  
CASCAP, Inc.  
678 Massachusetts Avenue  
Cambridge, MA 02139

Dear Ms. Cohen:

I am pleased to inform you that on November 6, 1997 CEDAC's Board of Directors authorized up to \$32,100 in a Front Money Loan to support the development of 165 Western Avenue project. The funds are to be used for predevelopment expenses outlined in Exhibit A of the Loan Agreement.

Front Money Loans are loans that are subject to the following general conditions:

- Your organization must enter into a loan agreement with CEDAC or execute an amendment to an existing loan for this project. CEDAC expects to recover all loan advances from successfully financed projects. The loan agreement stipulates that the cost of these services will be repaid to CEDAC at initial construction loan closing.
- Under the Front Money Loan program, CEDAC advances funds directly to CASCAP, Inc. after submission of appropriate invoices CASCAP, Inc., in return, uses those funds to pay for services rendered.

To expedite processing of your loan, all necessary loan documents are attached. The CEDAC loan package instructions explain how to execute the documents.

Once again, congratulations on this award of assistance from CEDAC. We are impressed with your project and we look forward to making our funds available to you.

Sincerely,



Charleen Regan  
Senior Program Manager

enclosures

# DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT



Argeo Paul Cellucci, Governor  
Jane Wallis Gumble, Director

## ORIGINAL

February 5, 1998

CASCAP, Inc.  
678 Massachusetts Ave  
Cambridge, MA 02139  
Attn: Brad Day

RE: 165 Western Avenue, Cambridge (the "Project")

Dear Mr. Day :

Congratulations on the selection of 165 Western Avenue, located in Cambridge, for a Conditional Funding Reservation of Housing Innovations Fund II ("HIF II") financing. I am pleased to inform you that funds in an amount not to exceed \$316,797 from the HIF II Program have been conditionally reserved by the Department of Housing and Community Development ("DHCD") as a deferred mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and the HIF II Firm Financing Commitment are satisfied, the HIF II loan will be made to the Project's developer/owner, CASCAP, Inc. (the "Developer").

This Conditional Funding Reservation is issued pursuant to and in reliance upon information presented in the HIF II application submitted on December 2, 1997. It is also based upon your agreement that the Project will consist of 9-units of affordable rental housing. At a minimum, 25% of the units will be permanently reserved for persons whose incomes are no higher than 80% of the area median income, and 25% of the units will be reserved for persons whose incomes are no higher than 50% of the area median income (the "Eligible Use"). To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the project.

The loan term will be for a period of 30 years. The term may be extended for one or more periods of up to 10 years each under certain conditions with the approval of DHCD. Simple interest on the loan will accrue at an annual rate of five percent (5%) for the first 20 years of the loan term. No periodic payments will be due under the loan except as follows: the borrower will pay DHCD the amount by which "Gross Cash Receipts" to the Project for each fiscal year just ended exceeds one hundred and five percent (105%) of "Cash Expenditures" for the Project for

the same period (as both terms are defined in the HIF II regulations); such payments will be applied first to interest and then to principal. The HIF II loan may not be prepaid during the term of the loan. There will be no loan origination or other loan processing fees charged to the Developer, with the exception of possible legal fees.

DHCD's practice has been to pay the entire cost of the outside legal counsel assigned to close the loan. In an effort to reduce legal costs for the program and to preserve the program's ability to foster the creation of additional housing, we will budget \$7,000 for the closing of this loan. It is our desire and hope that the cost will actually be less. It is the borrower's responsibility to ensure that our legal counsel is provided with all the necessary documentation in a timely and professional manner. Any costs above this amount will be the responsibility of the borrower. Funds in an amount necessary to cover fees in excess of the \$7,000 will be paid by the borrower at the closing of the HIF II loan from the proceeds of the loan or through terms mutually agreed upon by the borrower and DHCD.

As collateral for the loan, DHCD will take a mortgage and security position on the real property located at 165 Western Avenue, Cambridge. The HIF II mortgage may not be any more junior than a third mortgage unless DHCD agrees otherwise in writing. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use of the Project, or default under senior mortgage loans, shall be among the events of default under the HIF II loan.

This Conditional Funding Reservation will result in the issuance of a Firm Financing Commitment to the Project, provided the Developer meets the following conditions to the satisfaction of DHCD within six (6) months of the date of this letter:

- 1) submission to and approval by DHCD of a complete Final Application, which must include:
  - a) updated development and operating pro formas including a complete sources and uses of funds statement;
  - b) evidence of a firm commitment of all acquisition, construction and permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD.
- 2) a purchase and sale agreement or other instrument satisfactory to DHCD which indicates that by the date of the HIF II loan closing, the Developer will have clear title to the Project, quality of the title to be satisfactory to DHCD's counsel;
- 3) submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
- 4) submission of satisfactory evidence that all legal, design, regulatory, and environmental requirements for the Project are fulfilled and all approvals and site surveys required for the Project are obtained;
- 5) submission of and approval by DHCD of evidence of a satisfactory funding commitment for the Project's service plan.

## ADDITIONAL PROJECT SPECIFIC CONDITIONS

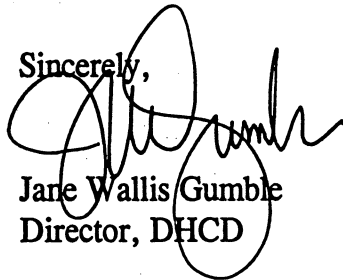
1) submission of evidence of award of Section 8 operating subsidy through the Cambridge Housing Authority or alternate plan for the affordability of units serving households below 50% of median income.

Closing and funding of the HIF II loan will be conditioned upon the fulfillment of all terms and conditions of the Conditional Funding Reservation, the HIF II Firm Financing Commitment, and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. Funding for the HIF II loan is also conditioned upon release of funds to DHCD by the Executive Office of Administration and Finance for the HIF II Program.

This Conditional Funding Reservation will be in effect until August 5, 1998. If you realize that you will not be able to meet all the requirements within this time, please notify the HIF II Program Director at DHCD.

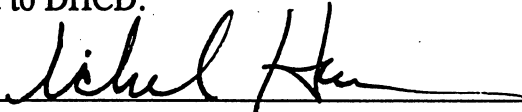
I congratulate you on receiving this Conditional Funding Reservation from the HIF II Program and I look forward to seeing the Project move towards completion.

Sincerely,



Jane Wallis Gumble  
Director, DHCD

This Conditional Funding Reservation shall be deemed accepted when it has been signed and a copy returned to DHCD.



CASCAP, Inc.

*Michael Haran, Executive Director*

Date: March 11, 1998



*Building Healthy Communities  
Where Low-Income  
People Live and Work*

March 4, 1998

Mr. Michael Haran  
Executive Director  
CASCAP, Inc.  
678 Massachusetts Avenue, 10th Floor  
Cambridge, MA 02139

Re: Construction/Permanent financing to rehabilitate 165 Western Avenue,  
Cambridge, MA 02139

Dear Mr. Haran:

On behalf of the Boston Community Loan Fund (BCLF), I am pleased to inform you that the BCLF Loan Committee voted to approve a construction loan converting to a permanent loan in an amount up to \$365,000 to finance the gut rehabilitation of 165 Western Avenue, Cambridge, MA, on the following specific terms and conditions:

Borrower:	CASCAP, Inc.
Project:	Acquisition and gut rehabilitation of 165 Western Avenue to convert a single family residence to a 9 unit residence for low and moderate income people.
Amount:	up to \$365,000
Use of BCLF Funds:	Construction and related costs during construction period converting to a ten year permanent loan with a twenty five year amortization.
Disbursement:	Funds will be disbursed as requisitioned and approved by BCLF. BCLF's loan will be disbursed after acquisition and in proportion to other construction sources or following other construction sources. Please see the attached "Disbursement Procedures Memorandum" for details on BCLF's procedure for approving requisitions.
Interest Rate:	7% per annum, 360 day year/actual months

*Affiliates*  
BOSTON COMMUNITY  
LOAN FUND  
  
BOSTON COMMUNITY  
VENTURE FUND  
  
BOSTON COMMUNITY  
MANAGED ASSETS

30 Germania Street  
Boston, MA 02130  
Tel: (617) 522-6768  
Fax: (617) 522-7786

March 4, 1998

- Security:** First mortgage and security interest in land and building at 165 Western Avenue, Cambridge, MA; assignment of rents and leases; pledge of all escrow and reserve accounts.
- Reserve Requirements:** *Operating Reserve:* Borrower will fund an operating reserve in an interest earning escrow account at closing in the minimum amount of three months debt service.  
*Replacement Reserve:* Borrower will fund a replacement reserve at a minimum level of \$275/unit per year. BCLF will ~~be a signer on the account and will~~ receive duplicate bank statements.  
*cc MB*
- Loan Covenants:** Project will maintain a minimum debt service coverage ratio of 1.15:1.00 through the term of the loan.  
  
CASCAP will maintain a minimum overall debt service coverage ratio of 1.05:1.00.
- Date Due:** Ten years from the conversion date of the construction line of credit to a permanent loan. The construction line will convert to a term loan the sooner of project completion (full occupancy) or 18 months from the construction line closing.
- Repayment:** Interest only during construction. Monthly interest payments due in arrears beginning on the last day of the first full month following closing. Principal will be repaid on a twenty-five year fully amortizing schedule.
- Reporting Requirements:** Quarterly Management prepared financial statements for CASCAP and the project at 165 Western Avenue within 45 days after the end of each quarter. CASCAP statements to include a balance sheet and income statement. Project statement to include revenue and expenses compared to budget.  
Annually Audited financial statements of CASCAP, Inc. within 90 days of the close of the fiscal year.  
Upon Request Other information reasonably requested by BCLF regarding CASCAP and project at 165 Western Avenue.

March 4, 1998

**Immediate Notification** Change in housing development staff and substantial adverse changes in financial condition of Borrower and/or Project.

- Fees:** Loan fee will be 1% of the loan amount presented on the final, approved budget prior to closing. One half of the estimated total fee of \$3,650 will be due at acceptance of commitment letter and the balance will be due at loan closing.
- Publicity:** Borrower will include BCLF in any publicity involving this project and will assist BCLF in promoting the role and need for alternative investments in community projects. Borrower will also acknowledge the attached publicity statement.
- Closing Costs:** Borrower agrees to pay all legal fees and associated expenses incurred in connection with this transaction.
- Additional Costs:** Borrower agrees to pay fee of lender's construction inspector.
- Closing Conditions:**
1. Approval of contractor, contract documents.
  2. Approval of final construction budget based on executed construction contract.
  - 3 All construction sources of funds closed and available for disbursement.
  4. Approval of final budget.
  5. Evidence of section 8 contracts for 8 units at acceptable rent levels.
  6. Evidence of Comprehensive Zoning Permit
  7. Corporate authorization from Borrower, acceptable to BCLF, to borrow funds from BCLF and to grant BCLF negotiated security interest.
  8. Preparation by Borrower/borrower's counsel of documents specified in draft closing agenda prepared by BCLF counsel.
- Legal Counsel:** Tom Schnorr, Palmer & Dodge

This letter is BCLF's loan commitment to the Borrower. The loan is further subject to all appropriate general conditions set forth on the attached document, "Standard Loan Commitment Conditions." This loan commitment shall be null and void unless accepted by March 20, 1998 and unless the proposed loan is closed by June 1, 1998. Requests for extensions to these dates must be made in writing.

August  
MH ec

CASCAP, Inc.

March 4, 1998

Page 4 of 4

To accept this commitment, please affix the appropriate borrower signature below on behalf of the Borrower and return this letter to BCLF with a check in the amount of \$1,825 representing one half of the loan fee on or before March 20, 1998. If you have any questions, please feel free to call me or Michelle Kluchman, Senior Loan Officer, at 522-6768.

Sincerely,

*Eva Clarke*

Eva Clarke  
Loan Fund Manager

Enclosures

ACCEPTED AND AGREED:

BORROWER: CASCAP, INC.

By: *Michael Haran* Date 3/19/98

Title: Michael Haran, Executive Director



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**CITY OF CAMBRIDGE**  
**COMMUNITY DEVELOPMENT DEPARTMENT**

---

SUSAN B. SCHLESINGER  
*Assistant City Manager for  
Community Development*

BETH RUBENSTEIN  
*Deputy Director for  
Community Development*

**Contract No.:**  
**Budget Code: 882-0000-00-31856**  
**Purchase Order:**

March 31, 1998

Mr. Michael Haran, Executive Director  
CASCAP, Inc.  
678 Massachusetts Avenue, 10<sup>th</sup> Floor  
Cambridge, MA 02139

**RE: 165 Western Avenue**

Dear Mr. Haran:

The Cambridge Affordable Housing Trust (the Lender), acting by and through the City of Cambridge Community Development Department, is authorized to offer to Borrower named below, acquisition, construction, and permanent financing for the development of the property located at 165 Western Avenue, Cambridge, MA (the "Premises"), into nine (9) residential units. These units shall be affordable housing as defined below in para. 8.

1. Borrower: CASCAP, Inc.
2. Loan Amount: \$325,916
3. Interest Rate: Eight per cent (8%) per annum.
4. Term: The loan shall be due and payable fifty (50) years from the date of closing of all sources of permanent financing.
5. Security: The loan shall be secured by a second mortgage on the Premises.
6. Loan Advances: The Lender agrees to disburse to the Borrower up to \$198,000 at loan closing for the acquisition of the Premises. No further loan funds shall be disbursed until the Borrower receives a firm commitment from the Cambridge Housing Authority for the receipt of eight (8) Project-Based Section 8 certificates. Thereafter, loan proceeds shall be disbursed in accordance with the Construction

Loan Agreement entered into with the Lender, which agreement shall provide that there shall be a ten percent (10%) holdback of approved construction costs until project completion. Prior to the final disbursement of loan proceeds, the Borrower must provide evidence of the issuance of the Certificate of Occupancy for the Premises and with customary acknowledgment of full payment signed by the general contractor, subcontractor, and suppliers.

**7. Terms of**

**Repayment:**

Principal and interest on the loan shall accrue, but not be due and payable until the end of the term. All accrued principal and interest shall be forgiven at the end of the term, provided that the Project's Affordable Housing obligations specified below are continuously satisfied.

**8. Affordable Housing:** All nine (9) units shall be rented to persons of low or moderate income. Low income shall be defined as 50% or less of the median family income of the Boston MSA adjusted for family size; and moderate income shall be defined as 80% or less of the median family income of the Boston MSA adjusted for family size. Eight (8) of the units shall be rented to households below 50% of median income. The Borrower will enter into an Affordable Housing Agreement to be recorded with the deed which will fully describe the affordable housing obligations.

The obligation of the Lender to advance funds under this commitment is subject to the Borrower's full compliance with the following terms and conditions:

**9. Documentation and Due Diligence Requirements:** The loan will be documented in a manner satisfactory to the Lender, and the Lender will require usual and customary due diligence. The tentative scope of loan documentation and due diligence required by the Lender is described in the attached draft closing agenda. The Borrower acknowledges that this is a draft closing agenda, and that Lender reserves its right to remove or add items as the Lender and its counsel become more familiar with the details of the loan.

**10. Evidence of Other Loan Commitments:** The Borrower shall prior to closing provide firm commitments from the following sources of financing: a first mortgage loan from Boston Community Capital in the amount of \$364,679; a third mortgage loan from DHCD/Housing Innovations Fund in the amount of \$311,398; and a commitment from the Borrower to defer \$36,000 of their Developer's Fee.

**11. Expenses:** Borrower agrees to pay all reasonable costs incidental to the loan, whether or not such loan closes, including, without limitation, reasonable fees and expenses of the Lender's counsel.

12. **Project Budget:** The Borrower shall submit a Project Budget which is satisfactory to the Lender in its sole discretion. The Lender shall approve the final project budget upon the determination of the construction contract amount. At the completion of the project, the Lender will require partial repayment of the loan to the extent that approved project costs are less than the approved budget. Partial repayment shall occur prior to any repayment of other financing sources

13. **Construction Plans:** The Borrower shall submit construction plans and specifications which are satisfactory to the Lender in its sole discretion.

14. **Requirement to Maintain Non-Profit Status:** These loans are conditional upon Borrower maintaining its non-profit status under Chapter 180 of the Massachusetts General Laws or maintaining tax-exempt status as determined by the Internal Revenue Service. This requirement shall be satisfied by initially maintaining the non-profit status of CASCAP, Inc. In the event the Borrower fails to maintain its non-profit status, the Lender may require full and immediate repayment of principal and interest.

15. **Tenant Selection Plan:** The Borrower shall prepare a Tenant Selection Plan subject to the approval of the Lender. There shall be a priority for households facing an emergency housing need and a priority for Cambridge residents. The Tenant Selection Plan shall comply with all applicable state and federal laws.

16. **Cambridge Employment Plan:** The Borrower agrees to comply with, and will ensure that its construction contractor complies with Article II of the Cambridge Employment Plan regarding employment of Cambridge residents, minorities, and women in the construction of the project.

17. **Acknowledgment:** The Borrower shall acknowledge receipt and acceptance of this commitment by signing and returning the enclosed copies of this letter by April 3, 1998. This commitment will expire if not accepted by that date. After receipt of the commitment executed by the Borrower, the lender shall submit the commitment to the City Manager and Managing Trustee for approval. No commitment shall be valid and binding upon the Lender until approved in writing by the Managing Trustee of the Cambridge Affordable Housing Trust.

The City of Cambridge looks forward to working with you on this project.

Sincerely,

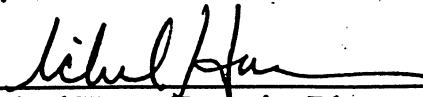


Roger Herzog  
Housing Director

**The undersigned hereby accepts the commitment and agrees to the terms and conditions thereof.**

CASCAP, Inc.

By:

  
\_\_\_\_\_  
Michael Haran, Executive Director

Date 04/02/98

Approved By:

\_\_\_\_\_  
Susan Schlesinger,  
Assistant City Manager for Community Development  
Cambridge Community Development Department

\_\_\_\_\_  
Date

Approved By:

\_\_\_\_\_  
Robert W. Healy,  
Managing Trustee  
Cambridge Affordable Housing Trust

\_\_\_\_\_  
Date

Approved as to form for the Cambridge Affordable Housing Trust:

\_\_\_\_\_  
Russell Higley, City Solicitor

\_\_\_\_\_  
Date



# City of Cambridge

64.

IN CITY COUNCIL

July 27, 1998

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

WHEREAS: A CASCAP program which provides disabled non-elderly Cambridge tenants rental subsidies for private rental housing also make good business sense for property owners; and

WHEREAS: CASCAP's Alternative Housing Voucher Program (AHVP) provides subsidies and matches disabled residents with property owners and managers; tenants are thoroughly prescreened for criminal history, credit history, rental history and bill paying history; and rents are guaranteed as long as the tenant is part of the program; and

WHEREAS: This program provides a way for property owners to reduce some of their administrative costs and assure a steady rental income while providing desperately needed housing opportunities to help people with disabilities live integrated lives in new communities; now therefore be it

RESOLVED: That the City Council go on record urging Cambridge rental property owners to contact CASCAP about the AHVP in which Cambridge rental property owners can benefit themselves and their community by renting an apartment to a disabled Cambridge AHVP holder.

In City Council July 27, 1998.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

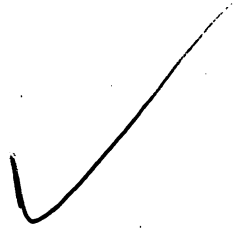
*D. Margaret Drury*  
 D. Margaret Drury

City Clerk

TT

<sup>CASCAP</sup>  
~~AT#~~ ~~SP~~, ~~A~~ program which provides  
non-elderly

(64)



Whereas: Disabled, Cambridge tenants ~~are~~ rental subsidies  
for private rental housing, also makes good  
business sense for property owners; and

Whereas: CASCAP's Alternative Housing Voucher Program  
(AHVP) <sup>provides subsidies and</sup> matches disabled residents w/ property  
owners and managers; tenants are thoroughly  
pre-screened for criminal history, credit history,  
rental history and bill paying history; and  
rents are guaranteed as long as the tenant is  
part of the program; and

Whereas: This ~~program~~ <sup>program</sup> provides a way for property  
owners to reduce some of their administrative  
costs <sup>+</sup> ~~while~~ ~~for~~ assure a steady rental  
income while providing desperately <sup>housing</sup> needed  
opportunities ~~to~~ to help people with  
disabilities live integrated lives in their  
communities; now therefore be it

Resolved: That the C-C go on record urging <sup>Cambridge</sup> rental property  
owners ~~to~~ to contact CASCAP about ~~this~~  
~~this~~ the AHVP in which <sup>Cambridge</sup> rental property owners  
can benefit themselves and their community by  
renting an apartment to a disabled Cambridge  
AHVP holder

7/15  
TT  
Beck  
to make  
people aware

C A S C A P  
I N C

78 MASSACHUSETTS AVENUE 10TH FLOOR CAMBRIDGE MASSACHUSETTS 02139  
PHONE 617.492.5559 FAX 617.492.6928 TTY 617.234.2992

July 9, 1998

Councilor Timothy J. Toomey  
Cambridge City Hall  
795 Massachusetts Avenue  
Cambridge, MA 02139

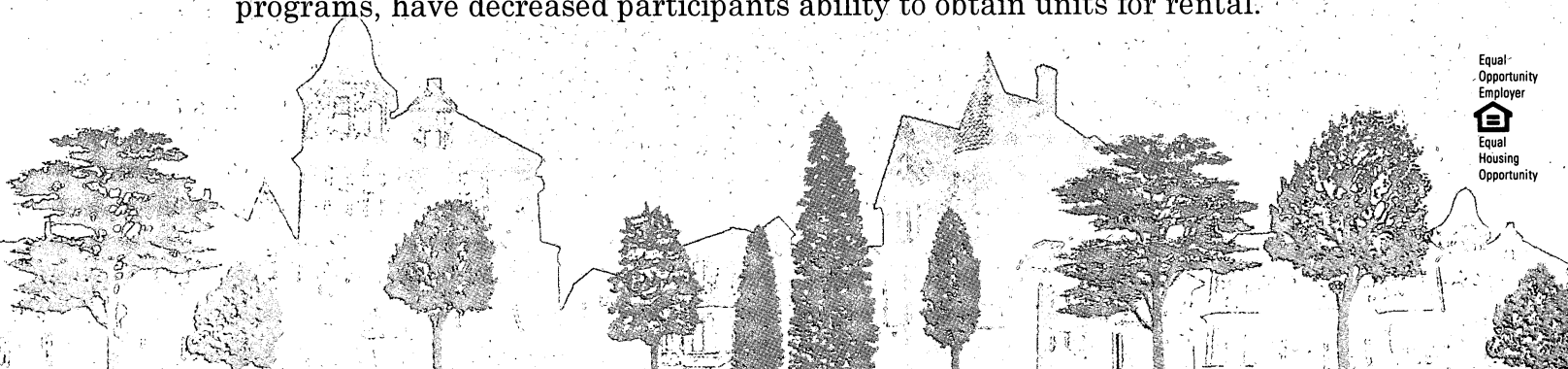
Dear Councilor Toomey:

I am writing to request your assistance with a local campaign to preserve affordable housing for disabled Cambridge residents.

CASCAP, Inc. recently received a grant from the Department of Housing and Community Development to increase affordable housing opportunities for low income, non-elderly disabled residents of Cambridge. This grant allows CASCAP to provide housing search and placement services to individuals who are participants of the Alternative Housing Voucher Program administered by Cambridge Housing Authority.

The Alternative Housing Voucher Program provides qualified disabled persons with mobile rental subsidies for use in private housing. It has the potential to be an extremely effective tool for helping people with disabilities live integrated lives in their own communities. Using this program, individuals pay only 25-30% of their income towards rent, thereby making safe, appropriate housing opportunities affordable.

Although the Alternative Housing Voucher Program provides individuals increased access to affordable housing opportunities, there have been many obstacles to successful implementation of the program in the Cambridge community. The current housing market, low rental limits of the program and misconceptions about the financial stability of state funded housing programs, have decreased participants ability to obtain units for rental.

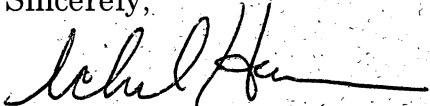


To address these issues, CASCAP has launched an educational campaign targeted toward local property owners and managers. This campaign is being implemented through the distribution of an informational brochure as well as one to one meetings with individual members of the housing community. To date, staff have made alliances with several key groups including the Cambridge Realtors Association, the Cambridge Community Development Department, the Cambridge Housing Authority and the Cambridge Fair Housing Committee. Concurrently, public relations opportunities honoring individuals and companies who provide affordable housing opportunities to AHVP participants are being organized.

As a show of support for this program and the individuals it serves, I am asking that you distribute the enclosed informational brochures, along with a brief letter of support, to contacts that you have in the Cambridge real estate community. This gesture by you would serve to increase CASCAP's networking opportunities within the city, thereby increasing the amount of exposure the program receives.

I hope that you will consider assisting us in this effort. I have enclosed a concept summary of the campaign for your review. If you have any additional questions or would like to speak with me further, please do not hesitate to call.

Sincerely,



Michael Haran  
Executive Director



## Alternative Housing Voucher Program Marketing Campaign Concept Summary

### **Background:**

In October of 1995, the Massachusetts legislature provided funding for and authorized the Department of Housing and Community Development to establish a new program of rental assistance to improve housing opportunities for low income, non-elderly persons with disabilities. The legislature instituted this new housing program, known as the Alternative Housing Voucher Program, in response to policies enacted by the state and federal governments dramatically reducing housing available to people with disabilities.

The Alternative Housing Voucher Program (AHVP) provides qualified disabled persons with mobile rental subsidies for use in private housing. It has the potential to be one of the most effective tools for helping people with disabilities live integrated lives in their own communities. Using this program, qualified individuals pay only 25%-30% of their net income towards rent, therefore making safe, appropriate housing opportunities affordable.

### **Impediments to success:**

Although the Alternative Housing Voucher Program provides disabled individuals access to more affordable housing opportunities, there have been many obstacles to successful implementation of the program in the community.

The current housing market has made it very difficult to utilize this voucher in the community. Identifying units which are vacant and affordable under the guidelines of this program has proven extremely difficult. The 1997 vacancy rate for Cambridge was under .5% while Boston's rate was not much higher at 1.6%. The average monthly rent in Cambridge for 1997 was \$1,024 while Boston's was \$891. The allowable rents for the Alternative Housing Voucher Program are dramatically lower, Cambridge allows \$730 for a one bedroom apartment while Boston allows only \$675.

There has been very little community wide promotion of or education about the Alternative Housing Voucher Program. Many property owners and managers report they are reluctant to accept AHVP participants as tenants due to the lack of information about the program. Additionally, misconceptions about the stability of the program and concerns regarding recent funding cuts in state housing voucher programs, has augmented resistance.

This resistance is evidenced by blatant discriminatory practices by Realtors, owners and managers towards program participants throughout their housing search process. Housing search workers report discriminatory statements and practices towards their clients based on their disability and dependence upon rental assistance.

## **Marketing/Outreach plan:**

To address the issue of securing housing for AHVP subsidy holders, more than housing search and support services are needed. New housing opportunities need to be created. CASCAP proposes that these opportunities be achieved through a multi-faceted campaign aimed at increasing awareness of the AHVP program and the need for the preservation of local, affordable housing.

A comprehensive strategy to educate the community about the Alternative Housing Voucher Program will be implemented through the creation and distribution of an informational brochure and through one on one meetings with individual members of the housing community.

Concurrently, PR opportunities honoring individuals and companies who provided affordable housing opportunities to AHVP participants will be organized. Alliances with key stakeholders in the affordable housing community will be developed in an effort to increase interest in the campaign.

## **OBJECTIVES:**

1. Create partnerships with private owners, developers, property management and real estate companies to address the need for affordable housing options for people with disabilities.
2. Create new housing opportunities for low income, non-elderly individuals with disabilities.
3. Increase visibility of the Alternative Housing Voucher Program community wide.
4. Educate the community about the Alternative Housing Voucher Program and the Housing Resource Team.
5. Develop a landlord database for use by active holders of the AHVP voucher.
6. Develop enhanced partnerships between the contract local housing authorities (Belmont, Brookline, Cambridge and Watertown) and the Housing Resource Team at CASCAP, Inc.
7. Organize and implement public relations opportunities to encourage property owners and managers to offer affordable housing opportunities to AHVP holders.



## AHVP: What's it all about?

In October of 1995, the Massachusetts legislature provided funding for and authorized the Department of Housing and Community Development to establish a new program of rental assistance to improve housing opportunities for low income, non-elderly persons with disabilities. The legislature instituted this new program, known as the Alternative Housing Voucher Program (AHVP), in response to policies enacted by the state and federal governments which dramatically reduced housing opportunities available to people with disabilities. The Alternative Housing Voucher Program provides qualified individuals with mobile rental subsidies for use in private housing.



## What do I gain by participating in AHVP?

### Economic Security

The AHVP program mandates that the local housing authority pay for the majority of a participant's monthly rental costs, as long as the participant continues to meet the standards of the program. This financial mandate:

✓ **Guarantees the majority of the monthly rental payment regardless of a tenants economic situation**

Tenants must pay 25%-30% of their income towards the monthly cost of rental. If a tenant's income decreases, the housing authority will increase the amount of their payment, therefore assuring that 100% of the contract rent is paid.

✓ **Provides additional incentives for tenants to comply with the terms of their lease**

Participants of the AHVP program are aware that to maintain their rental subsidy, they must remain compliant with all lease agreements and program requirements. For many, this subsidy is vital to maintaining a secure, stable home. Without this subsidy, many would be facing possible homelessness or substandard living conditions. Of the 100 participants who have secured housing using this program over the last 18 months, there have been zero turnovers due to tenant/landlord problems.

### Access to Tenant Supports

The AHVP program provides participants with access to housing search and stabilization workers. These housing specialists and local housing authority staff provide ongoing support services to both the tenant and landlord. These support services can include:

✓ **Housing specialists and local housing authority staff available as a resource to landlords**

These staff can act as a third party influence in the event of difficulties during the tenancy.

✓ **Ongoing assessment and referral services for tenants**

Tenants are eligible for ongoing housing stabilization services through participation in both individual and group supports. These stabilization services increase the long term stability of the tenant and the likelihood that they will fulfill all the terms of their lease.

Make this program a success. Rent a unit to an AHVP holder. You will be doing something good for yourself and the community.

### Access to an Established Referral System

Property owners and managers are matched with qualified subsidy holders who are actively seeking housing in their community. By accessing the referral system, property owners and managers are able to take advantage of several management administrative cost savings including:

✓ **Decreased advertisement and broker fees**

With direct access to an ample supply of qualified tenants, owners and managers are able to avoid using costly methods of advertising or employment of brokers to recruit tenants.

✓ **Lower vacancy rates**

Utilizing the referral system, managers and owners are able to identify prospective tenants before or immediately at the time of vacancy. Since these prospective tenants are thoroughly screened and actively seeking housing, they are eligible for immediate tenancy.

✓ **Decreased tenant screening costs**

Alternative Housing Voucher Program recipients are thoroughly screened by their issuing local housing authority in the following areas:

- Criminal History
- Rental History
- Credit History
- Bill Paying History

## What's the Catch?

**No catch — just a stable tenancy!**

**This is an opportunity to assist with the preservation of local affordable housing**

Decreased access to public housing has severely limited the subsidized housing opportunities available to low income, non-elderly disabled individuals. Additionally, the loss of rent control in Massachusetts and the strong economy throughout the state, have caused a dramatic surge in market rents and a decrease in vacancy rates. The cumulative effect of these factors has resulted in a significant decrease in affordable housing opportunities causing increased homelessness or increased incidence of substandard living conditions.

The Alternative Housing Voucher Program is one of the most effective tools for helping people with disabilities live integrated lives in their own communities. Using this program, individuals pay only 25%-30% of their income towards rent, thereby making safe, appropriate housing opportunities affordable.

## Funded by the Massachusetts Department of Housing & Community Development

Administered in cooperation with  
the following:

Belmont Housing Authority  
Brookline Housing Authority  
Cambridge Housing Authority  
Watertown Housing Authority

Housing search and stabilization  
services provided by CASCAP, Inc.

To list a current vacancy or to get  
additional information about the  
housing search and stabilization  
program, please contact:

**CASCAP, Inc.**  
**Housing Resource Team**  
**678 Massachusetts Avenue**  
**10th Floor**  
**Cambridge, MA 02139**

**TEL: (617) 492-5559**  
**FAX: (617) 492-6928**  
**TTY: (617) 234-2992**

**Attention Property Owners  
and Managers**

# AHVP

Alternative Housing Voucher Program

**You have much  
to gain...**



**...and nothing  
to lose**



# City of Cambridge

64.

**IN CITY COUNCIL**

July 27, 1998

COUNCILLOR TOOMEY  
VICE MAYOR GALLUCCIO  
COUNCILLOR BORN

**WHEREAS:** A CASCAP program which provides disabled non-elderly Cambridge tenants rental subsidies for private rental housing also make good business sense for property owners; and

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**WHEREAS:** This program provides a way for property owners to reduce some of their administrative costs and assure a steady rental income while providing desperately needed housing opportunities to help people with disabilities live integrated lives in new communities; now therefore be it

**RESOLVED:** That the City Council go on record urging Cambridge rental property owners to contact CASCAP about the AHVP in which Cambridge rental property owners can benefit themselves and their community by renting an apartment to a disabled Cambridge AHVP holder.

Consent Order #64

4815

Councillor Toomey, Vice Mayor Galluccio  
and Councillor Born re: urge Cambridge  
property owners to contact CASCAP about  
Alternative Housing Voucher Program with  
provides subsidies and matches disabled  
residents with property owners and managers.

In City Council July 27, 1998

**ORDER ADOPTED**