



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

EXECUTIVE DEPARTMENT
JOHN H. CORCORAN
City Manager

MEMORANDUM

TO: Cambridge City Council
FROM: John H. Corcoran
DATE: November 8, 1973
RE: Willow Street Homes

Willow Street Homes, the 15 unit low-income housing development owned and sponsored by the Model Cities Development Corporation remains incomplete. However, this in no way signals that work has not been done to get completion work underway so that low-income families can live there. Many avenues have been tried -- among them CHA acquisition, financing under the Massachusetts Housing Financing Agency's program, utilization of Department of Housing and Urban Development programs, proposals by several developers and even approaching Harvard University for assistance. The Massachusetts Department of Community Affairs could provide the necessary monies to allow the Cambridge Housing Authority to acquire the development. However, the acquisition would require certain local action by the CHA which to date has not occurred. The approach by MCDC to Harvard University to provide financing for completion was tied to the expressed interest of DCA. To date Harvard has not been able to respond due to the lack of any firm resolve by any of the parties involved. At this point the increasing numbers of persons being asked to assist the development have somewhat compounded the existing difficulties and created new ones; communications problems have augmented rather than narrowed the focus of attack. Despite these efforts, one cold fact remains -- that the rental income generated by the 15 Section 23 leases does not provide enough money to meet mortgage requirements. In prior instances, HUD has taken such facts into account in resolving similar developmental problems. In the case of MCDC, however, HUD has provided but token assistance, preferring to leave the matter to local resolve. All of these problems have been further compounded by the steadily worsening mortgage money market over the past several months.

TO: Cambridge City Council

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Willow Street Homes remains incomplete and unoccupied, and this fact, more than anything, is a black-eye on all involved. I requested the Cambridge Redevelopment Authority (see attached letter) to lift the restrictions allowing occupancy by other than low-income families and its transferability to an entity other than a non-profit or public agency since it was they, the seller, who placed these restrictions on the property. At the same time, I requested MCDC (see attached letter) to concur in this waiver. The Authority took its action and on behalf of the City I concurred. I have never had a written reply from MCDC with respect to my request. However, MCDC has indicated to other involved parties that they are unwilling to lift the low-income covenants for completion purposes until such time as a firm development package is proffered which, whatever the vehicle, guarantees their original intent to build quality housing for low-income families and elderly. These restrictions limited the possibilities of completion. I strongly feel that these buildings should be completed and occupied.

November 8, 1973

Willow Street Homes / Fact Sheet
Wellington-Harrington Urban Renewal Area
Cambridge, Massachusetts

Units	:	4 - 1 bedroom 4 - 3 bedroom 7 - 4 bedroom (townhouses)
		15 Total
Owner	:	Model Cities Development Corporation, a non-profit neighborhood development group formed to develop and own low income housing.
Contractor	:	ICM-Thayer Construction - no longer on the job.
Financing	:	A \$60,000.00 seed money grant from the Cambridge Model Cities Administration.
	:	A \$195,000.00 7 1/2% - 30 year construction and permanent financing commitment from the Cambridgeport Savings Bank and the East Cambridge Savings Bank.
	:	15 Section 23 leases have been secured from the Cambridge Housing Authority to be utilized to make the housing available for low income families.
History	:	Construction commenced in early 1970 on land purchased from the Cambridge Redevelopment Authority. For a variety of reasons the job seriously slowed down in the Fall of 1971 and construction ceased in the Spring of 1972. At that time, the completed development was offered to the Cambridge Housing Authority as a public housing project under a HUD instant acquisition program. HUD set an upset price and encouraged the Cambridge Housing Authority to acquire it as did many local citizens and government officials. A year was spent answering the Cambridge Housing Authority's questions and concerns, at which time they voted not to acquire Willow Street Homes, which is still sitting incomplete.

(continued on next page...)

Willow Street Homes will require additional financing to complete. The Massachusetts Housing Finance Agency has indicated informally that it is not interested, and the banks have indicated they don't want to stay in on a long term basis. The banks will, however, continue their present level of participation if a final completion package can be arranged. The projected costs for completion, even with proposed alterations, fall well within and, in fact, below per unit costs for similar construction in Cambridge. A series of studies by the banks, the CRA, and HUD have certified the overall soundness and quality of construction while recommending certain changes constant with local codes.



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EXECUTIVE DEPARTMENT
JOHN H. CORCORAN
City Manager

August 13, 1973

Mr. Robert F. Rowland
Executive Director
Cambridge Redevelopment Authority
336 Main Street
Cambridge, Massachusetts 02139

Dear Mr. Rowland:

AUG 13 1973

RRR	LSO	HNH	AGK
RCS	CDO	RSR	SMD
MTT	LONG	JFT	GMH
CRT		RLW	HMW
NG		JBT	
		RWN	
		JDM	
HLB		RJV	

I know that you and the members of the Cambridge Redevelopment Authority have been made aware of the difficulties which have been encountered in trying to complete the development of Willow Street Homes -- begun but not finished by the Model Cities Development Corporation (MCDC) -- and the fact that for almost two years I have been trying, at the City Council's direction, and with the assistance of the Authority's staff, to develop feasible courses of action whereby the project could and would be completed and the 15 dwelling units occupied.

Among the alternatives we have tried, as you know, were the purchase of the property by the Cambridge Housing Authority through HUD's "instant acquisition" program, the utilization by a developer-owner of the State 705 and HUD Turnkey programs, or the utilization of the HUD Section 236 programs. All of these efforts were rejected by Federal, State, or local housing agencies for one reason or another. At the same time, mortgage money has been getting tighter, interest rates are rising, and the Federal moratorium on low- and moderate-income housing programs continues.

Model Cities Development Corporation (MCDC), the owner of the property, as you also know, has no resources with which to maintain the uncompleted property and the mortgagee banks have recently informed me that they are in no position to expend any further sums for this purpose and are releasing possession back to MCDC.



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Executive Director
Cambridge Redevelopment Authority
336 Main Street
Cambridge, Massachusetts 02139

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Model Cities Development Corporation (MCDC), the owner of the property, as you also know, has no resources with which to maintain the uncompleted property and the mortgagee banks have recently informed me that they are in no position to expend any further sums for this purpose and are releasing possession back to MCDC.

AUG 13 1973

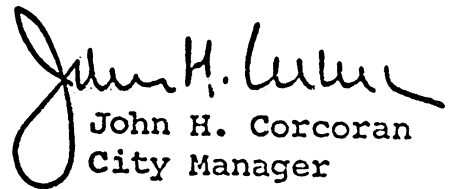
RFK	LSO	HNF	AGK
RCS	CDO	RSR	SMD
MTJ	LONG	JFT	GNH
✓ CRT		RLW	HMV
✓ NG		JBT	
		RWN	
		JDM	
HLB		RJV	

I have also been informed that, if certain restrictions in the original disposition of this property were now to be waived, thereby making the property more freely transferable and marketable, the opportunity to obtain the additional financing needed to complete the project might be significantly improved. I believe that the public interest in getting this development completed, and the units occupied, now outweighs the reasons for the original restrictions. Consequently, I request your Authority to waive such restrictions. I have also asked MCDC to take similar action.

I am hopeful, of course, that it will be possible to have a new developer use some, if not all, of the Section 23 leases to the Housing Authority in order to reach, as much as possible, the original objective of providing housing for low- to moderate-income families.

Although the Cambridge Redevelopment Authority, I know, fully completed its own obligations, under the provisions of the land disposition contract, in June 1970, to make land available for "instant" low-income housing construction through conventional financing and innovative building methods, to the Model Cities Demonstration Corporation (MCDC) as the developer recommended by the City's Ad Hoc Housing Task Force, I would like, in closing, to thank you for your very real and extra-ordinary cooperation and assistance throughout the last few years of this difficult process.

Sincerely yours,


John H. Corcoran
City Manager

JHC/b

AUG 14 1973

PER	LSO	INF	AGK
RCS	COO	BAR	SMD
✓TH	✓G	HT	GMH
✓CPT		NEW	HMW
✓DMB		CT	
✓AC		LEN	
		JEM	
HLB		RY	

August 13, 1973

Mrs. Janet Rose, President
Model Cities Development Corporation
267 Broadway
Cambridge, Massachusetts 02139

Dear Mrs. Rose:

It is almost two years that I have been trying, at the City Council's direction and with the assistance of Model Cities Development Corporation (MCDC) and the Redevelopment Authority's staff, to develop feasible courses of action whereby the Willow Street "demonstration" project started by MCDC in 1970 would be completed and the 15 dwelling units occupied.

Among the alternatives we have tried, as you know, were the purchase of the property by the Cambridge Housing Authority through HUD's "instant acquisition" program, the utilization by a developer-owner of the State 705 and HUD Turnkey programs, or utilization of one of the HUD Section 235-236 programs. All of these efforts were rejected for one reasons or another. At the same time mortgage money has been getting tighter, interest rates are rising, and the Federal moratorium on low-moderate income housing programs continues.

It is my understanding that MCDC has no resources with which to maintain the uncompleted property and the mortgagee banks have recently informed me that they are in no position to expend any further sums for this purpose and are releasing possession back to MCDC.

I have also been informed that, if certain restrictions in the original disposition of this property were now waived, thereby making the property more freely transferable and

marketable, the opportunity to obtain the additional financing needed to complete the project might be significantly improved. I believe that the public interest in getting this development completed, and the units occupied, now outweighs the reasons for the original restrictions. Consequently, I am requesting that MCDC agree to a waiver of such restrictions. I am also asking that the Redevelopment Authority take similar action.

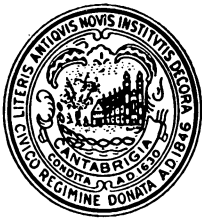
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In closing, I would like to thank you for your cooperation and assistance throughout this process.

Sincerely yours,

John H. Corcoran
City Manager

JHC/b



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EXECUTIVE DEPARTMENT

JOHN H. CORCORAN

City Manager

JAMES L. FARRELL

Assistant City Manager

November 12, 1973

To the Honorable, the City Council:

As requested by your Honorable Body under date of
September 17, 1973, I enclose at this time a status report
regarding the Willow Street Housing Development.

Very truly yours,

John H. Corcoran
John H. Corcoran
City Manager

JHC/b

Agenda # 9

437

Status report on the Willow Street Housing
Development.

In City Council,

Nov. 12, 1973

11/12/73

Referred to Housing &
Land Use

Copy sent to Housing
& Land Development.

11/13/73 dl