CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

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

ELIZABETH EPSTEIN
*Deputy Director for Community Development*

# MEMORANDUM

TO: Robert W. Healy, City Manager

FROM: Susan Schlesinger, Assistant City Manager for Community Development SS

DATE: June 18, 1997

RE: Council Order dated June 9, 1997 RE: REPORT ON THE POTENTIAL FOR INCREASED HOME OWNERSHIP OPPORTUNITIES IN CAMBIDGE

Regarding the above referenced order, I am providing the following information about the City's activities to increase homeownership opportunities in Cambridge. Over the past few years, CDD has implemented and expanded its comprehensive first time home buyer programs to increase access to these opportunities for low- and moderate-income residents. These programs have been effective in increasing homeownership opportunities. It should be noted, however, that rising property values and interest rates are making it increasingly difficult to provide affordable homeownership opportunities for lower income residents.

The City's first time home buyer programs provide four types of services to Cambridge residents: buyer education and individual counseling; affordable mortgage financing; affordable units; and other access services. The Cambridge Condo Buyer Initiative, part of the CITYHOME program, provides technical and financial assistance (up to $35,000) to income-eligible home buyers. In its first year, the Condo Buyer Initiative assisted in the purchase of 40 units, of which 20 received financial assistance.

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A summary of the City's programs includes the following:

**BUYER EDUCATION AND COUNSELING**

- FIRST TIME HOME BUYER courses (each has four two hour sessions; MHFA-approved; 10 courses per year);
- Condo Buyer Initiative information sessions (28 sessions over the past 18 months);
- Multi-Family Seminars (for potential buyers of 2-4 family houses; 5 seminars over the past 18 months);
- Individual buyer counseling addressing income, credit, and savings issues (250 households counseled over the past 18 months).

**AFFORDABLE MORTGAGE FINANCING**

- Soft Second Mortgage Program, which provides an interest subsidy and eliminates the need for private mortgage insurance (state-funded, administered by the Massachusetts Housing Partnership and local banks; Cambridge was awarded a set-aside of mortgage funds);
- Advocacy for other special mortgage products for Cambridge home buyers.

**AFFORDABLE UNITS**

- Non-profit developed homeownership units (over the past four years, the City and its non-profits have developed 43 units for sale to eligible first time buyers);
- Condo Buyer Initiative (assisted 40 households in first year of operation);
- Resales of existing deed-restricted properties.

**OTHER ACCESS SERVICES**

- City Housing Database, which allows potential home buyers to sign up and receive information on available units and other housing opportunities;
- HOME Information Line (349-HOME), provides automated telephone information on a range of affordable housing programs.

I would be pleased to provide any additional information regarding these activities.

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CITY OF CAMBRIDGE
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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

June 24, 1997

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 24, regarding a report on the potential for increased home ownership opportunities in Cambridge, received from Assistant City Manager for Community Development Susan Schlesinger.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
attachment

Consent Agenda #15 5-390

Relative to Awaiting Report Item
Number Twenty-four, regarding a
report on the potential for
increased home ownership opportunities
in Cambridge.

In City Council June 23, 1997

**PLACED ON FILE**