

George F. Welch Jr.
316 Huntington Ave. Unit 721
Boston MA 02115
617 267 0429

200 MAY 25 2 44:40

May 23, 2000

Robert Healy, City Manager,
Beth Rubinstein, Asst. City Manager
John Woods, Housing Director
The Cambridge City Council
Cambridge, Massachusetts

NOTICE: Senator John Kerry and Senator's Representative Roy Martin &
Mimi Kolesar, Director Of Affordable Housing Projects
Dave Poletsek, HUD General Counsel's Office
Arthur Goldberg, City of Cambridge Attorney

Re: THE CITY'S VIOLATION OF HUD'S HOME PROGRAM DISPLACEMENT DETERMINATIONS

Dear Mr. Healy, Ms. Rubinstein, Mr. Woods and the Cambridge City Counsel:

As City attorney Arthur Goldberg should have advised you, I am one of the tenants who was displaced from the 136 unit Cambridge YMCA Building and whose unit was demolished as a direct result of the City of Cambridge Massachusetts Federally assisted HOME Program 127 unit Cambridge Family YMCA rehabilitation project described in the November 31, 1992 three (3) page letter to HUD's Mary Kolesar from Susan Schlesinger, the Cambridge City Housing Director. ATTACHMENT 3 is a copy of Ms. Schlesinger's letter.

As City attorney, Arthur Goldberg, should have advised you, HUD has published the determination that the HOME-assisted 'project' is the rehabilitation of the building...A person displaced from any one of the units is protected by the URA. ATTACHMENT 1 is a copy of HUD's HOME Program DEFINITION OF PROJECT containing HUD's Determination, as appears on pages 8-20 and 8-21 of HUD's Tenant Assistance Relocation and Real Property Acquisition Handbook 1378 September 1990, as amended.

As City attorney, Arthur Goldberg, should also have brought to your attention, City Housing Director, Susan Schlesinger, falsely stated in her November 31, 1992 letter to HUD's Ms Kolesar and falsely informed the City Manager that "...the rehabilitation of the Cambridge Family YMCA (a \$5.6 million, 129 unit project) would use HOME funds in conjunction with the Shelter Plus Care Program and the McKinney Moderate Rehabilitation for Single Room (SRO) Program. See ATTACHMENT 3, page 1 paragraph 2.

According to the February 18, 1994 letter of Leo Salvucci, Director of the HUD Boston Office that administers the Shelter Plus Care Program and the McKinney Act Program, HUD did not provide any Shelter Plus Care or McKinney Act Program Funds for use in conjunction with the HOME Program funds that the City of Cambridge granted for the Cambridge YMCA 127 Unit rehabilitation project. ATTACHMENT 2 is a copy of Mr. Salvucci's February 4, 1994 letter.

Based upon the above, this is a demand that City of Cambridge, the HOME Program Grantee for the 127 unit Cambridge YMCA rehab project provide me, a HOME Program "displaced person" with relocation assistance as required under the City's HOME Program Antidiplacement and Relocation Plan. See ATTACHMENT 4.

George F. Welch Jr

construction of the new housing. Therefore, each of the eight acquisitions and each of the eight displacements is part of a single "HOME-assisted project" and is subject to the URA.

Example 3: A contract is executed covering the rehabilitation of a 12-unit multifamily building. HOME funds are used to pay part of the cost of the rehabilitation of five units to be occupied by low/moderate-income families. Non-Federal funds are used to finance the rehabilitation of the other seven units. Determination: The HOME-assisted "project" is the rehabilitation of the building (all 12 units). A person displaced from any one of the 12 units is protected by the URA.

- 8-46. OPTIONAL RELOCATION ASSISTANCE. The participating jurisdiction/Indian tribe may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations and farms displaced by a HOME-assisted project where the displacement is not subject to the URA or the provisions of this Section 4. The jurisdiction/Indian tribe may also provide relocation assistance to persons covered by the URA or this Section 4 at levels in excess of those required by Chapters 1 through 6 of this handbook. For any such assistance that is not required by State, tribal (State law may apply if the Indian tribe is not exercising recognized powers of self-government) or local law, the jurisdiction/Indian tribe shall adopt a written policy available to the public that describes the relocation assistance that it has elected to furnish and provides for equal relocation assistance within each class of displaced persons.
- 8-47. HOME TENANT-BASED RENTAL ASSISTANCE PROGRAM. Participating jurisdictions may use HOME funds to establish a Tenant-Based Assistance (TBA) Program. Tenants occupying the site of a HOME-assisted project may be provided HOME TBA to enable them to relocate or to remain in the property. TBA contracts are authorized for a period of up to 2 years. However, assuming funds are appropriated by Congress, the period of assistance may be extended upon expiration of the term.
- a. Persons Not Displaced. HOME TBA may be used to make a tenant's continued occupancy of the property affordable and thereby avoid economic displacement. As indicated in *Paragraph 1-8b(4)*, however, at the time the project is initiated, there must be an expectation that tenants who are not offered relocation assistance will be able to continue in occupancy of the property for an indefinite period of time. If it appears likely that the person will require rental assistance beyond the 2-year period, the participating jurisdiction should seek long-term alternative assistance (e.g., Section 8 rental certificates or vouchers) or be prepared to continue the TBA at the end of the 2-year period if the person remains eligible and Congress appropriates the funds.

- 8-44. **DEFINITION OF INITIATION OF NEGOTIATIONS.** For purposes of providing the appropriate notice under Paragraph 2-3b and determining whether a person displaced from a dwelling qualifies for a replacement housing payment under Paragraph 3-3 or Paragraph 3-4 (as opposed to Paragraph 3-5), the term "initiation of negotiations" means:
- If the displacement results from private-owner rehabilitation, demolition, or acquisition, the execution of the agreement between the grantee (e.g., participating jurisdiction) and the person owning or controlling the real property.
 - If the displacement results from acquisition by a State agency (defined in Paragraph 1-23), the action described in Paragraph 1-15a.
 - If the displacement results from State agency demolition or rehabilitation and there is no related State agency acquisition, the notice to the person that he or she will be displaced by the project (or the person's actual move, if there is no such notice).
- 8-45. **DEFINITION OF PROJECT.** The acquisition of real property and the displacement of any person as a direct result of acquisition, rehabilitation or demolition for a HOME-assisted project is subject to the URA. As defined in 24 CFR 92.2, the term "project" means a site or an entire building (including a manufactured housing unit), or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management, and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking under the HOME Program. Project includes all the activities associated with the site and building. If there is more than one site associated with a project, the sites must be within a four-block area.

Example 1: Using local funds, the grantee (e.g., participating jurisdiction) acquires and clears a site for a low-income housing project. Following the acquisition and clearance, HOME funds are used to pay part of the cost of the construction of the housing. Determination: The acquisition of the site, demolition of the improvements, and construction of the building comprise a single HOME-assisted "project." Therefore, the acquisition of each parcel included in whole or in part in the site and any displacement from the acquired parcels are subject to the URA.

Example 2: The grantee (e.g., participating jurisdiction) acquires eight single family owner-occupied dwellings on contiguous lots to provide a site for a housing project. HOME funds are used to purchase one lot. Non-Federal funds are used to acquire the other seven lots, clear all eight lots and construct the housing. Determination: The HOME-assisted "project" includes the acquisition and clearance of the entire site and the



U.S. Department of Housing and Urban Development

Boston Regional Office, Region I
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street
Boston, Massachusetts 02222-1092

FEB 18 1994

Mr. George Welch.
Somerville YMCA
101 Highland Avenue
Room 402
Somerville, MA 02143

Dear Mr. Welch:

This letter is in response to your complaint registered with the Office of Regional Inspector General for Investigation. As the complaint does not allege any criminal wrongdoing it has been referred to this Office.

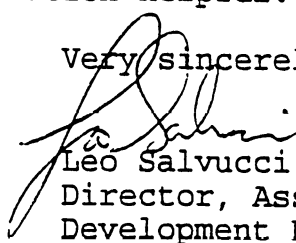
The complaint refers to an inquiry as to your eligibility for relocation assistance and to the types of funding that will be received on the project located at the Cambridge YMCA.

It is our understanding that on February 15 you spoke with Robert Yablonskie of HUD and informed him that the issue of relocation was being addressed by the HUD Office of Community Planning and Development in Washington D.C. and Boston. Further questions regarding relocation assistance should be referred to those offices.

On February 7, 1994 a letter was sent you in response to your request for information regarding the funding award letters to the Cambridge Housing Authority for the Shelter Plus Care Program and the McKinney Single Room Occupancy (SRO) Program. A total of 65 rent subsidies will be funded by the Department of HUD under these two programs for a period of 10 years. The rent subsidies are for single homeless persons eligible under program regulations. The proposed development must meet a minimum requirement for renovations in order to receive the rent subsidies, which will not exceed the Fair Market Rents (FMRs). There is no specific allotment for renovations separate from the rent subsidies.

We hope you find this information helpful.

Very sincerely yours,


Leo Salvucci
Director, Assisted Housing
Development Division

ATTACHMENT 2



CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

MICHAEL ROSENBERG.
*Assistant City Manager for
Community Development*

MARY FLYNN.
*Deputy Director for
Community Development*

Ms. Mary Kolesar
Director of Program Policy Division
Room 7162
U. S. Department of Housing and Urban Development
451 7th Street SW
Washington, D.C. 20410

November 31, 1992

Dear Ms. Kolesar,

I am writing to express our strong concern about the possibility that HUD may not grant the City of Cambridge the waiver of a part of CPD Notice 92-31 (Using HOME funds for Single Room Occupancy SRO buildings) that it requested on November 6, 1992.

We believe that this is an issue of national significance that will have a substantial negative impact on the ability of jurisdictions and nonprofits to produce housing using HOME funds for some of our neediest citizens. It will also have the immediate effect of seriously jeopardizing the rehabilitation of the Cambridge Family YMCA (a \$ 5.6 million, 129 unit project) that would use HOME funds in conjunction with the Shelter Plus Care Program and the McKinney Moderate Rehabilitation for Single Room Occupancy (SRO) Program. The CPD letter requires us to define this 129 unit SRO building as a "group home" with 129 bedrooms.

We feel that this interpretation of the SRO definition runs counter to congressional intent to allow HOME funds to be used in supportive housing and SROs. These categories were specifically cited by Congress in the joint Senate and House Conference Committee Report on HR5334, which included the following amendment:

Section 212(a)1 of the Cranston Gonzales National Affordable Housing Act is amended by adding the following: "For the purpose of this subtitle, the term 'affordable housing' includes permanent housing for disabled homeless persons, transitional housing, and single room occupancy housing".

While we understand that HUD may prefer HOME funds to support units with higher levels of amenities, such as private sanitary or cooking facilities, it is important to understand that this may not be workable in some supportive housing projects due to the service needs of the occupants or the nature of support services and programs. For example, it may be dangerous to have private cooking facilities in SROs for seriously mentally ill individuals.

Second, in built-up cities, where most affordable housing is developed within the existing stock, the physical layout of the most feasible buildings may preclude private facilities. The YMCA is a good example, where redesign might require a reduction in the number of affordable units.

Consequently, HUD's interpretation has the unwitting effect in some projects of either discriminating against some of the neediest households, or reducing the number of units that can be created or preserved.

The HOME regulations require that HOME-assisted units must meet Section 8 Housing Quality Standards for SROs, and Cambridge intends to comply with these. We are very concerned about the addition of another layer of requirements via a CPD letter, when these minimum requirements are already clearly spelled out in the regulations.

An additional significant problem is the fact that the maximum subsidy for the YMCA project is capped. We have been advised by our HUD Regional Office that the maximum per unit subsidy is that of a four-bedroom group home, the highest number of units on which the subsidy can be calculated even if the project is much larger. This amount -- \$123,000 (including high cost adjustments) -- is well below the HOME contribution required to make this 129-unit project feasible. We feel that this limitation will create substantial problems nationwide for sponsors of projects of five or more rooms, as the subsidy is limited at the four-bedroom level. In supportive housing projects, there is typically a minimum level of units that makes providing certain types of services (for example, mental health services, meal preparation or on-site management) efficient. Limiting subsidies at the four-bedroom level will seriously impact the ability of sponsors to develop projects with adequate service packages.

As we wrote in our waiver request earlier this month, the specific reasons for our waiver request are threefold; First, under HOME Program regulation 92.2, SROs may include both sanitary or food preparation areas. This means that in an SRO building, each SRO unit qualifies as a zero bedroom unit under HOME regulations and is eligible for the maximum subsidy allowance for zero bedroom apartments. This allows units to be targeted for specific programs, and not all units must be designated as HOME units. In the YMCA project this is particularly critical since 30 units have been funded by Shelter Plus Care and 35 through the McKinney Section 8 Moderate Rehab SRO program. These units will be occupied by individuals requiring special social services.

ATTACHMENT 3-2

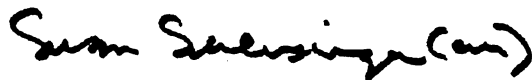
Secondly, other HUD programs, such as McKinney Moderate Rehab and Shelter Plus Care, base their participation in the project on their definition of the rooms at the YMCA as SROs. Both these programs clearly identify the units at the YMCA as SRO's and allow SRO-based FMR's. Consistency between HUD programs is imperative if a project using a variety of funding sources is to be successful.

Finally, as we wrote earlier, projects like the YMCA which provide not only housing for very low income individuals, but also a high level of services for different needy populations, are clearly one of the types of housing that Congress intended the HOME Program to assist. Housing with appropriate services is identified in our Comprehensive Housing Affordability Strategy as one of Cambridge's priority areas for federal investment.

The YMCA is currently finalizing the financing necessary to move the project forward. The project, which is partially supported through federal Low Income Tax Credits, needs to be in construction by early in 1993 or potentially lose the substantial equity raised through the sale of tax credits. The HOME funding is critical to the project's financial feasibility.

I will be calling you shortly to see if I can provide any further information to assist you in your review. Thank you for your assistance in this matter.

Sincerely,



Susan Schlesinger
Housing Director

cc: David Cohen, Director
HUD Office of Affordable Housing
451 Seventh Street Southwest, Room 7164 Washington D.C. 20410

Robert L. Paquin, Deputy Director
HUD Office of Community Planning and Development, Room 313
10 Causeway Street, Boston, MA 02222

ATTACHMENT 3-3



Special Attention of:

Interim Notice: CPD-93-01

All Regional Administrators
All Field Office Managers
Regional Directors for CPD
CPD Division Directors
All HOME Participating Jurisdictions

Issued: December 15, 1993
Expires: April 15, 1994

Cross References: 24 CFR Parts 91, 92
and 570



Subject: HOME Program; Residential Antidisplacement and Relocation Assistance Plan

1. **BACKGROUND.**

- a. **Legislation.** On October 28, 1992, the President approved the Housing and Community Development Act of 1992 (Public Law 102-550) (1992 Act). Section 220(b) of the 1992 Act amended Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) to require a participating jurisdiction (PJ) to certify as part of its Comprehensive Housing Affordability Strategy (CHAS) that it is following a Residential Antidisplacement and Relocation Assistance Plan (Plan) under its HOME Investment Partnerships Program (HOME) that requires the same actions and provides the same rights as the Plan required for the Community Development Block Grant (CDBG) Program under section 104(d) of the Housing and Community Development Act of 1974 (1974 Act).
- b. **Regulations.** The requirement that a PJ certify that it is following a Plan under the HOME Program was incorporated into the CHAS regulation (24 CFR Part 91) in a final rule published March 12, 1993 (58 FR 13686). However, the Department has not yet published a regulation establishing specific Plan requirements for the HOME Program.

2. **POLICY.** The certification and Plan are required, even if the PJ's HOME-assisted projects will not result in the demolition or conversion of a low/moderate-income dwelling. Until such time as HUD publishes a regulation describing specific Plan requirements for the HOME Program, a PJ with a CDBG grant must follow the Plan currently applicable to its CDBG Program or a Plan identical to its CDBG Plan. PJs (e.g., HOME consortia) that are not CDBG grantees, must establish and follow a Plan that meets the requirements of the applicable CDBG regulation (24 CFR 570.606(c) for local jurisdictions and § 570.488(c) for States).

CGHR:Distribution:W-1, W-3-1, R-1, R-2, R-6, R-7, R-9, 063, CDBG Entitlement Grantees, HUD-Administered Small Cities Grantees, HOME Participating Jurisdictions

3. **EFFECTIVE DATE.** For the HOME Program, the requirements of the Plan become effective upon the submission of the PJ's FY 1994 CHAS. The Plan applies to every new commitment (defined in 24 CFR 92.2) of HOME funds, including FY 1992 or 1993 funds, that occurs on or after the date of the CHAS submission.
4. **SUMMARY OF PLAN.** Under a Plan, the PJ must:
 - a. Identify the reasonable steps it will take to minimize the displacement of persons from their homes as a result of an assisted project.
 - b. Replace all occupied and vacant occupiable "low/moderate-income dwellings" that are converted to a use other than "low/moderate-income dwellings" or are demolished for a project.
 - c. Provide relocation assistance to low/moderate-income households (including families and individuals) displaced as a direct result of the conversion of a low/moderate-income dwelling or the demolition of any housing for a project.
5. **GUIDEFORM RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN.** Attached is a Guideform Residential Antidisplacement and Relocation Assistance Plan that complies with existing requirements. It includes examples of steps that a PJ might wish to undertake to minimize the direct and indirect displacement of persons from their homes.

GUIDEFORM RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN – HOME PROGRAM

The [jurisdiction] will replace all occupied and vacant occupiable lower income housing demolished or converted to a use other than as lower income housing in connection with a project assisted with funds provided under the HOME Investment Partnerships Act.

All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the [jurisdiction] to provide funds for a project that will directly result in demolition or conversion, the [jurisdiction] will make public by [describe how, such as publication in a newspaper of general circulation] and submit to HUD [the State, under the State HOME Program] the following information in writing:

1. A description of the proposed assisted project;
2. The address, number of bedrooms, and location on a map of lower income housing that will be demolished or converted to a use other than as lower income housing as a result of an assisted project;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. To the extent known, the address, number of bedrooms and location on a map of the replacement housing that has been or will be provided.
5. The source of funding and a time schedule for the provision of the replacement housing;
6. The basis for concluding that the replacement housing will remain lower income housing for at least 10 years from the date of initial occupancy;
7. Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a difference size, is appropriate and consistent with the housing needs and priorities identified in the approved Comprehensive Housing Affordability Strategy (CHAS).

To the extent that the specific location of the replacement housing and other data in items 4 through 7 are not available at the time of the general submission, the [jurisdiction] will identify the general location of such housing on a map and complete the disclosure and submission requirements as soon as the specific data are available.

The [name and phone number of the office] is responsible for tracking the replacement of lower income housing and ensuring that it is provided within the required period.

The [name and phone number of the office] is responsible for providing relocation payments and other relocation assistance to any lower income person displaced by the demolition of any housing or the conversion of lower income housing to another use.

Consistent with the goals and objectives of activities assisted under the Act, the [jurisdiction] will take the following steps to minimize the direct and indirect displacement of persons from their homes:*

1. Coordinate code enforcement with rehabilitation and housing assistance programs.
2. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.
3. Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.
4. Arrange for facilities to house persons who must be relocated temporarily during rehabilitation.
5. Adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.
6. Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative.
7. Adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas.
8. Establish counseling centers to provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.

* The jurisdiction must determine the appropriate steps. The following are examples.

George F. Welch Jr.
316 Huntington Ave. Unit 721
Boston MA 02115
617 267 0429

May 23, 2000

2000 MAY 25 AM 11:40

Clerk of the City of Cambridge
Cambridge City Hall
Cambridge Massachusetts
Dear Madame Clerk:

RECEIVED
CITY CLERK
CITY OF CAMBRIDGE

Please put in the agenda for the next meeting of the Cambridge City Council my attached May 23, 2000 Notice to the Council and others Re: The City's Violation of HUD's HOME Program Displacement Determinations and this request that the Council enter an Order requesting that the City Manager provide the Council with an explanation for the failure of the City to provide tenants displaced as a result of the City's HOME Program assisted 127 unit Cambridge YMCA rehabilitation project with relocation assistance at Uniform Relocation Act levels as required under HUD's HOME Program requirements and the City's HOME Program Antidispacement and Relocation Plan.

Respectfully Submitted

Jack George F. Welch Jr.
Jack a/k/a George F. Welch Jr.
Displaced Person

Consent Communciation #8

148 S

A communication was received from
George F. Welch, Jr., relative to
the City's violation of HUD's
HOME Program Displacement Deter-
minations.

S-148

In City Council June 5, 2000

PLACED ON FILE