

Copy - E. Black

Tenant Senate

State Modernization Committee

May 30, 1969

The Honorable Walter J. Sullivan
City Hall
Cambridge, Massachusetts 02139

Dear Mayor Sullivan:

Over the past several weeks the State Modernization Committee has been lobbying for two bills that are concerned with modernization of the State Housing Projects. Enclosed are copies of these bills and explanations of support from this Committee and the Citizens Housing and Planning Association. (House 2443 is presently being reprinted as House 5193. The enclosed redraft is inclusive.)

The Committee requests endorsement of these bills by the Cambridge City Council and appropriate communications to be sent to State Representatives serving Cambridge and leaders in the state government.

We would enjoy the services of your good office in setting up a meeting of the State Representatives with this Committee to discuss the need for the Bills.

In addition, we should most appreciate any individual discussions that you might carry out with our Legislators. Of particular importance now are the Cambridge Representatives who sit on the House Ways and Means Committee: Representatives Toomey and Hickey.

Sincerely,

Dersley Green

Dersley Green, Chairman

Tenant Senate
State Modernization Committee
Cambridge, Massachusetts

May 30, 1969

We represent residents of 1700 public housing units in Cambridge. As we write, there are two bills in Committee in the State Legislature that can vitally affect residents in public housing across the state.

The need for these bills is widely recognized by those who know public housing. On April 30th, Senate President, Maurice Donahue, told tenant representatives from several Massachusetts communities:

"Better housing is one of the things at the top of the list of problems in the urban area."

He suggested that we invite the legislators to the projects. "If they see the projects, it's going to be difficult for them not to support the bill. This is compelling evidence." "These same problems exist state-wide." "I will give you a hand."

"I see no reason why we shouldn't be successful."

And on May 6th, House Speaker, David Bartley, added his support to the bills.

We urge your support of House 5193 for the following reasons:

1. All State public housing was constructed for temporary post-war use, but is now occupied as permanent housing without appropriate renovation.
2. Public housing was designed for returning veterans, but is now occupied, in part, by large families.
3. Public housing is supported by the state, but some projects may violate the State Sanitary Code.
4. Funds have been appropriated for Federal Modernization. Passage of the parallel State Modernization bill will prevent residents of state-assisted housing from feeling second rate.
5. The bill will allow up to \$15 million of much-needed repair (through bonds borrowed by the local authorities) at a maximum cost of only \$750,000 to the state *stretched over 40 years.*

We urge your support of Senate 1153 for the following reasons:

1. The present State rents are inequitable compared with the lower Federal levels. This bill will make the rents equal.
2. With spiraling construction costs, the Commonwealth's subsidy, set at $2\frac{1}{2}\%$ of original development costs, is severely inadequate. This bill will raise the level, not to exceed 5% , and serve to help balance costs.

The Committee asks your active support:

1. To protect the Commonwealth's investment.
2. To set back the level of frustration in favor of the growing sense of purpose on the part of the tenants.



CITIZENS HOUSING AND PLANNING ASSOCIATION
of Metropolitan Boston, Inc.

7 MARSHALL STREET • BOSTON, MASSACHUSETTS 02108 • 742-3720

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Public Housing Modernization (H-5193)
Public Housing Subsidy (S-1153)

The main problem in the state-aided public housing program is in the Chapter 200 family housing subsidized by the Commonwealth and administered by local housing authorities in the Commonwealth. The program was initiated with Chapter 200 of the Acts of 1948. All the units now existing were built before 1954. None has been constructed since then.

Housing built under the Chapter 200 program is still called Veterans Housing, since the original intention of the act was to house returning veterans to ease their way back into civilian life. Later, however, the Legislature allowed the housing to be used also for elderly persons and families of low income. The speed of the trend away from use of the housing for returning veterans to low-income family use was pointed out in the Final Report of the Special Commission on Low-Income Housing in 1965. (p.20 ff.)

That commission found that the Commonwealth's subsidy for such housing (2½ per cent of original development costs) was too low. With rising costs over the years, the subsidy has become increasingly unsatisfactory. Authorities are using their reserves and the state program is nearing bankruptcy.

Under the circumstances, the authorities have deferred much of the maintenance of these buildings. With the trend toward their use for low-income families, the projects have had to house more children

than were initially intended. Many of them have had hard wear and are badly deteriorated, some to the point where they cannot meet the standards of the State Sanitary Code. Many tenants could now legally withhold their rents under the Commonwealth's Rent Withholding Law.

House 5193 will allow the authorities to borrow money (the statewide limit is \$15 million) for repair of the projects. The program's cost to the Commonwealth, when the full amount is borrowed, would rise to a maximum of \$750,000 a year in subsidy.

The proposal parallels the federal program instituted for repair of federally-aided projects last year. None of the federal money can be used for state-aided projects. However, the mechanism under the federal program for tenant involvement in planning physical and social improvements in public housing has included tenants from the state-aided projects in Boston. These tenants, whose rents are higher than those paid by tenants in federally-aided housing, are becoming increasingly disturbed that there are no funds to correct the physical deficiencies in their projects.

The modernization bill is necessary because not enough subsidy has been available to housing authorities over the years to allow authorities to keep up with deterioration of the buildings. The legislative Commission on Low-Income Housing recommended increasing the subsidy in 1965 so that rents between federal and state projects could be brought more closely into line and so that authorities could accept elderly persons and poor families with less income than is now possible.

There is a bill in the legislature to raise the annual subsidy for the program, S-1153. Both the modernization bill and the subsidy bill should be approved this year to allow public housing to fulfill its function adequately and to guard against deterioration in the future.

Public housing in the Commonwealth exists in a context of all the housing available to families of low income. The fact is that public housing shelters a fairly small percentage of low-income families and individuals.

There are about 44,000 units of public housing in both state and federal programs throughout the state. However, the 1960 census (the last reliable information we have) found 320,187 substandard dwelling units in the Commonwealth, one-fifth of all units. A total of 259,031 were occupied and 183,000 of them were rental units. With the low rate of production of housing, the consistent rate of demolition for highways and other public purposes and the inevitable deterioration of housing because of age, we can be fairly sure that the general picture is still the same in 1969.

There is a close relationship between substandard housing and low-income families, as the Special Commission on Low-Income Housing pointed out (p. 11):

Of the 259,000 households living in substandard housing, 73,000 (28%) have annual incomes of less than \$2,000; 105,000 (40%) have annual incomes of less than \$3,000; 137,000 (53%) have annual incomes of less than \$4,000; and 170,000 (65%) have annual incomes of less than \$5,000.

The large number of families in the Commonwealth living in substandard housing units accounts for the large waiting lists for public housing. There are about 6,000 families and individuals waiting in Boston now and the list is always growing.

There is an added problem because of an increasing shortage of housing in the Commonwealth. Because of the shortage, even substandard housing can bring good rents.

This demand for substandard housing, as well as the high cost of labor and materials, softens the economic incentive for rehabilitating substandard housing. Recent studies have shown that low-income families and individuals pay abnormally high percentages of their incomes for rent, often between 35 and 50 percent. The recent study of rent level increases in Boston conducted by the Simulmatics Corporation indicated that the poor have been hardest hit by rent increases in recent years.

With the mounting costs of private rental housing, even substandard housing, for the poor, it is critically important that the public housing programs in the Commonwealth be preserved and improved. Public housing, despite its deficiencies throughout the state, still has the capacity to shelter the poor at low rentals. It is necessary to expand public housing, especially leased

housing and rental assistance (programs in which the housing authority places low-income families and individuals in private housing and pays the difference in rent) so that we can scatter low-income families and preserve the private property tax base of the municipalities. We should strengthen the link between these programs and private rehabilitation of housing with state incentives for rehabilitation. We also need many more units of public housing in small clusters on scattered sites. (The Turnkey method, in which the housing authority buys a completed building from a developer who has built on his own land, is suitable for this.)

We also have to educate local housing authorities about the various housing programs instituted in the past several years. A recent article by Chester Hartman (author of the Low-Income Housing Commission report) in the Journal of the American Institute of Planners pointed out that local authorities know little about new programs.

Perhaps most of all, we have to open up the restrictive ring of the suburbs around the city through action by the General Court, so that the poor gathered in the central city can have the same choice of residence that was opened up by the VA and the FHA to middle-class citizens after World War II.

Tenant Senate
State Modernization Committee

RESOLUTION

Let the Cambridge City Council (1) go on record as endorsing Massachusetts House bill 5193 and Senate 1153 in order that tenants in State-Assisted Housing may live in conditions equal to those allotted for by the Federal government for Federally-Assisted Housing, and (2) send appropriate communications to State Representatives serving Cambridge and leaders in the State government informing them of this endorsement.

*CASH
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*Amendment to City letter regarding
re re accounts letter for the bills*

Tenant Senate
State Modernization Committee
Cambridge, Massachusetts

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housing and rental assistance (programs in which the housing authority places low-income families and individuals in private housing and pays the difference in rent) so that we can scatter low-income families and preserve the private property tax base of the municipalities. We should strengthen the link between these programs and private rehabilitation of housing with state incentives for rehabilitation. We also need many more units of public housing in small clusters on scattered sites. (The Turnkey method, in which the housing authority buys a completed building from a developer who has built on his own land, is suitable for this.)

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Perhaps most of all, we have to open up the restrictive ring of the suburbs around the city through action by the General Court, so that the poor gathered in the central city can have the same choice of residence that was opened up by the VA and the FHA to middle-class citizens after World War II.

City of Cambridge

Councillor Ackermann

In City Council,

June 2, 1969.

ORDERED:-

That the City Council go on record endorsing House Bill 5193, the same being "An Act to amend the Housing Authority Law to provide funds for the renovation of existing housing projects" and be it further

ORDERED:-

That the City Manager be and hereby is requested to direct the Legislative Agent of the City of Cambridge to contact all members of the House of Representatives to insure the passage of this legislation, and be it further

ORDERED:-

That the members of the City Council be and hereby are requested to contact all members of the House of Representatives representing the City of Cambridge and urge them to take favorable action on this proposed legislation.

City Council, June 2, 1969
as amended
Adopted by the affirmative vote
of 7 members

Paul E. Leahy
City Clerk

SENATE No. 1153

By Mr. Moakley, a petition of John J. Moakley for legislation to further define the Massachusetts Housing Authority law. Urban Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Nine.

AN ACT FURTHER DEFINING THE MASSACHUSETTS HOUSING AUTHORITY LAW.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The first sentence of sub-paragraph (b) of Sec-
2 tion 26NN is hereby amended by striking out thereof the words
3 "five million six hundred and twenty five thousand" and in-
4 serting therefor "eleven million two hundred fifty thousand".

1 SECTION 2. The second, third, fourth and fifth paragraphs
2 of said sub-section (b) are hereby repealed.

1 SECTION 3. The following shall be inserted after the first
2 paragraph of sub-section b: — each such contract shall con-
3 tain a provision that the payment of interest on and the prin-
4 cipal of notes and or bonds of the housing authority shall be
5 the first charge against such annual contributions. The an-
6 nual contributions for any one project shall be payable in an
7 amount not exceeding five percentum of the cost of the proj-
8 ect as determined by the Board and for the fixed period dur-
9 ing which the notes, and or bonds, issued to finance the cost
10 of the project or any refunding notes, and or bonds, remain
11 outstanding, but in no event for more than forty years after
12 the completion of the project as determined by the Board.
13 Every such contract shall provide that whenever in any year
14 the receipts of a housing authority in connection with a proj-
15 ect exceed its expenditures for that project, including debt
16 service, payments in lieu of taxes, administration, establish-

17 ment of reserves, the provision of social services for tenants
18 of such projects, such as, but not limited to family counseling,
19 job re-training, youth programs, adult education programs and
20 other costs as determined by the Board, an amount equal to
21 such portion of the excess, as the Board shall prescribe, shall
22 be applied or set aside for application to purposes which shall
23 effect a reduction in the amount of subsequent annual contri-
24 butions. The full faith and credit of the Commonwealth is
25 hereby pledged to the payment of all annual contributions con-
26 tracted for by the Commonwealth.

City of Cambridge

In City Council,
June 2, 1969.

WHEREAS:-

Harvard University has indicated its intention to build at least 160 units of housing on a tract of land it now owns called the Sachs Estate, and

WHEREAS:-

A zoning change must be obtained if more than 50 units of housing can legally be constructed on the Sachs Estate, and

WHEREAS:-

Harvard University has a large responsibility to house those students and faculty currently not living in University housing but seeking such housing, and

WHEREAS:-

There is an extreme housing shortage in Cambridge for low income families and elderly that Harvard University might want to help house, and

WHEREAS:-

Harvard University can best meet its responsibilities for housing by utilizing vacant land it now owns in a manner that would allow maximum comfortable zoning, and

WHEREAS:-

High density zoning of the Sachs Estate would cause no more damage to the surrounding neighborhood than the density now planned by Harvard University for the Sachs Estate,

The City Council of Cambridge hereby resolves that Harvard University and the neighborhood surrounding the Sachs Estate be asked to consider favorably increasing the planned density to accommodate the construction of 500 units of housing - 250 for low income families and elderly and 250 for Harvard University students and faculty, and

WHEREAS:-

Harvard University now owns the following vacant land:-
2 acres at Treeland Bindery
2½ acres at Sacramento St. and Massachusetts Avenue
12 acres at the Harvard University School of Business, and

WHEREAS:-

Harvard is planning to build housing on these tracts,

The City Council hereby resolves that this land be used at the maximum comfortable zoning to house both the students and faculty of the University and low income families and elderly of Cambridge.

City Council June 2, 1969
assent
Adopted by the affirmative vote
of 7 members
Paul E. Healy
Temp. City Clerk

Whereas Harvard University, has indicated its intention to build at least 160 units of housing on a tract of land it now owns called the Sachs Estate, and

Whereas a zoning change must be obtained if more than 50 units of housing can legally be constructed on the Sachs Estate, and

Whereas Harvard University has a large responsibility to house those students and faculty currently not living in university housing but seeking such housing, and

Whereas there is an extreme housing shortage in Cambridge for low income families and elderly, that Harvard University might want to help house, and

Whereas Harvard University can best meet its responsibilities for housing by utilizing ^{vacant} land it now owns in a manner that would allow maximum comfortable zoning, and

Whereas high density zoning of the Sachs Estate would cause no more damage to the surrounding neighborhood than the density now planned by Harvard University for the

Sachs Estate,

The City Council of Cambridge hereby resolves that Harvard U. and the neighborhood surrounding the Sachs Estate be asked to consider favorable increasing the planned density to accommodate the construction of 500 units of housing - 250 for low income families and elderly, and 250 for Harvard U. Students and Faculty.

Whereas Harvard U. now owns ^{the following} the vacant
land:

- 2 acres at Trelland Bldg,
- 2½ acres at Sacramento & Mass Ave
- 12 acres at the Harvard U. School of Business,
Cambridge

Whereas Harvard U. is planning to build
houses on these tracts,

The CC hereby resolves that
this land be used at the maximum
comfortable zoning, to house both
the students and faculty of the university,
and low ~~low~~ income families and elderly
of Cambridge.

RECEIVED BY
OFFICE OF CITY CLERK

JUN 2 2 23 PM '69

CAMBRIDGE, MASS.

June 2, 1969

Mr. Paul F. Healey
Temporary Clerk
Cambridge City Council
Cambridge, Mass 02138

Dear Mr. Healey

I transmit to you herewith a petition to be signed by the neighborhood surrounding the 6.4 acre Sachs estate owned by Harvard University. The purpose of the petition (and the background information included with it) is to indicate the willingness of the neighborhood to endorse the construction of high density housing on the Sachs estate for Cambridge low income families as well as university affiliated students & faculty.

I would like to have the opportunity to briefly present this material to the Council on the evening of June 2, 1969.

Thank you for your attention to this matter.

Very truly yours

R. S. Browning

7 Francis Ave
Cambridge Mass 02138

Enclosure

- 1 Petition (1 page)
- 1 Background Material (14 pages)

WE SUPPORT THE PROPOSAL THAT HARVARD DEVELOP A SUBSTANTIAL NUMBER OF HOUSING UNITS FOR LOW AND MODERATE INCOME FAMILIES AND ELDERLY HOUSEHOLDS. RENTS HAVE BEEN RISING SHARPLY IN CAMBRIDGE, IN NO SMALL PART DUE TO THE DIRECT AND INDIRECT EFFECTS AND ACTIONS OF HARVARD UNIVERSITY. UNLESS LOW RENT HOUSING IS PROVIDED, HUNDREDS OF FAMILIES WILL BE FORCED TO LEAVE THE CITY, AND CAMBRIDGE WILL BECOME A ONE-CLASS COMMUNITY.

VACANT LAND IS SCARCE IN CAMBRIDGE, BUT HARVARD IS FORTUNATE ENOUGH TO POSSESS A SIX ACRE SITE IN OUR NEIGHBORHOOD, THE SACHS ESTATE, ON WHICH HOUSING CAN BE CONSTRUCTED WITHOUT DISPLACING A SINGLE FAMILY.

WE THEREFORE URGE THAT THE SACHS ESTATE SITE BE USED AS WISELY AND CONSTRUCTIVELY AS POSSIBLE, PROVIDING A MODEL FOR UNIVERSITY DEVELOPMENT AND RESPONSIBILITY FOR HARVARD AND OTHER UNIVERSITIES, IN THE BOSTON AREA AND ELSEWHERE.

IN PRINCIPLE WE SUPPORT THE DEVELOPMENT PLAN PROPOSED BY THE HOUSING AND EXPANSION COMMITTEE OF THE GRADUATE SCHOOL OF DESIGN ASSEMBLY:

- A. THAT THE SITE BE USED TO CONSTRUCT APPROXIMATELY 500 UNITS, THE SAME NUMBER OF UNITS THAT WERE CONSTRUCTED ON THE PEABODY TERRACE SITE WHICH IS ALSO APPROXIMATELY SIX ACRES.
- B. THAT APPROXIMATELY 250 UNITS BE MADE AVAILABLE TO HARVARD FACULTY AND STUDENTS, 250 UNITS AVAILABLE TO LOW INCOME FAMILIES AND ELDERLY, IF AT ALL POSSIBLE THROUGH THE VARIOUS GOVERNMENT SUBSIDY PROGRAMS.
- C. THAT PARKING AND TRAFFIC PATTERNS SHOULD BE ORIENTED ONTO BEACON STREET. THAT THE DEVELOPMENT SCHEME INCLUDE BOTH
- L. LOW-RISE AND HIGH-RISE BUILDINGS, AND THAT, IF POSSIBLE, ADDITIONAL UNITS BE CONSTRUCTED ON THE OTHER SIDE OF BEACON STREET ON LAND PRESENTLY UNDERUSED AND DEVOTED TO NON-RESIDENTIAL USES.

THE DESIGN OF THE SACHS ESTATE SHOULD BE SUPERVISED BY AN ADVISORY COMMITTEE WHICH INCLUDES RESIDENTS OF THE SURROUNDING NEIGHBORHOOD.

WE URGE THE UNIVERSITY TO ADOPT SUCH A PLAN, AND WE URGE THE CITY TO ADOPT SUCH ZONING CHANGES AS ARE NECESSARY TO UNDERTAKE THIS DEVELOPMENT.

NAME

ADDRESS

Mrs. Malcolm Slavin

15 Farrar St.

Myron Sheller

105 Irving St.

JAY BEARWING

FRANCIS J.

Prof Chester W. Hartman

15 Farrar St.

Henri Lubasz

15 Farrar Street

GSD Group Proposes Sachs Estate Project For Low-Cost Housing

By WILLIAM R. GALEOTA

A committee of Design School students and faculty has proposed building 500 units of housing—half for University personnel and half for low-income residents of Cambridge—on a six acre tract of land that Harvard owns near the Divinity School.

The University presently is planning to use the area—the Sachs estate site—for approximately 160 units of faculty housing.

"Given the City's needs, it would be almost criminal for Harvard to use one of the few vacant large sites in Cambridge for low-density development," Nancy Slavin, a member of the Housing and Expansion Committee of the GSD Assembly, said yesterday of Harvard's current plans for the site.

The GSD committee's plan argues that it is possible to develop the Sachs estate site as intensely as that of Peabody Terrace, also a site of approximately six acres. The proposal calls for:

① Financing the construction of the housing through a state program, or loans at 5 per cent from Harvard endowment funds.

② Using Federal leased housing, or rent supplement programs, or Harvard money, if the Federal funds are not available, to bring the rent levels in the 250 community-occupied units down to 20 or 25 per cent of the occupants' income.

③ Controlling the development of the site by a student, faculty, and community committee, which would also consider what changes in schools, streets, and other facilities in the area the new housing would require.

The GSD committee plans to distribute copies of its proposal for the site throughout the University and in the community within the next week, Miss Slavin said yesterday. She added that the committee plans to canvass residents around the site in an effort to gain community support for the proposal.

Declines Comment

University Planning Officer Harold L. Goyette yesterday declined to comment in detail on the plan until he had read it. "I can only say that the University must be concerned with compatibility with the surrounding neighborhood," he said. Developing the site to the density of Peabody Terrace did not seem feasible to him, since the Sachs estate site has less adequate access routes for vehicles than Peabody Terrace, and does

TUESDAY, MAY 20, 1969

Housing Plans

(Continued from Page One)

not enjoy a side of open space along the Charles.

The Sachs estate, like the areas around it, is presently zoned for one family residential housing. When Harvard first tried in 1955 to gain a zoning change for construction of faculty housing on the site, residents of the neighborhood protested that the housing would congest the area. The zoning change was not granted.

Goyette said that such neighborhood reaction would have to be kept in mind when considering the density of development on the site. He added that something less than 500 units, but more than the 160 his office is now considering for the site, might be possible to construct.

Slavin Agrees

Mrs. Slavin agreed that neighborhood reaction might pose a problem, but argued that "things are different. It's 14 years later," citing the recent upsurge in concern over low income housing in Cambridge—and the GSD committee's plan to involve residents of the neighborhood in planning development of the site as factors which would increase the chances of zoning changes.

Model Development Proposal for Harvard University - Sachs Estate

Two facts about Harvard and the Cambridge community are undeniable: First, that rents are rising at a staggering rate; second, that Harvard has directly and indirectly been a major cause of these rising rates.

Low income families, many of whom have lived in Cambridge for generations, have been forced to leave the city by the hundreds, and others remain only by paying more for rent than they can afford.

Over recent years Harvard has acquired approximately 500 units of Cambridge residential property previously occupied by non-Harvard personnel, nearly 200 of which have been acquired since January 1968. However, the most severe effects of Harvard on the Cambridge housing market are not due to its actions but to its inactions. It is evident that Harvard's policy has been to rely primarily on the city's existing housing stock to take care of most of its graduate students and Corporation appointees. An estimated 4600 Cambridge housing units not belonging to Harvard are occupied by Harvard students and faculty. A precise numerical statement of Harvard's obligations to its personnel and to the community is not possible. The addition of 1500 units for its own students and faculty and 1500 units to the community, as proposed by the Graduate School of Design Housing and Expansion Committee and approved by the April 14th Soldier's Field meeting, represents the order of magnitude of responsibility that must be forthcoming from Harvard.

As the supply of low rent units has dwindled in the existing housing stock, new construction has been built primarily for upper income levels. Given the pressure on the housing stock, private developers can concentrate on luxury housing and be assured of filling all units. The high cost of land in Cambridge (starting about \$10 per sq.ft.) is one of the primary reasons why practically no low rent units have been built in Cambridge. The Cambridge Housing Authority is hampered because standard land acquisition allowances from the federal government are low for Cambridge land prices. Non-profit groups such as churches are also hampered by land prices and by the complex procedures involved in obtaining the necessary funds from federal programs.

Harvard owns four large sites around Harvard Square: 12 acres at the Business School; 2.5 acres at the Treeland - Bindery site (next to Peabody Terrace on Memorial Drive); 3.5 acres on Mass. Ave. between Garfield and Sacramento Streets; 6 acres at the Sachs Estate (see map). Three of the four sites are vacant. (There are few large vacant sites in Cambridge.) Given the housing crisis in Cambridge, there can be little doubt that the remaining vacant land must be used as fully as possible. In order to use these sites fully it is necessary that they be developed at densities comparable to that of Peabody Terrace (85 units to the acre).

The following is a discussion of the feasibility and planning implication of building at high densities, and the need for comprehensive planning with community participation. The Sachs Estate will be taken as an example.

It is proposed that the Sachs Estate be developed at 85 dwelling units to the acre. The total number of units will be 500. Of these, 50% should be reserved for graduate students and/or Corporation appointees and 50% for non-Harvard personnel (25% for elderly and 25% for low income families). It will be necessary to get a zoning variance for this higher density.

The Sachs Estate is 6 acres of vacant land on two bus lines connecting with major employment areas of Cambridge and Somerville and within walking distance of the University and two shopping areas.

Simply to repeat the 10-20 dwelling units to the acre density of the surrounding area would be a waste of a precious land resource. In fact, Harvard itself has set a precedent for "density-busting" in the case of Peabody Terrace. This development occupies the same area as the Sachs Estate (6 acres) at the proposed density of 85 d.u. to the acre (total of 500 units). While there are many differences between the Sachs Estate and the site on the river, it is possible to duplicate the 85 d.u. acre density on the Sachs Estate without adversely affecting the quality

of the surrounding neighborhoods. Careful planning could, in fact, return much ground level land to people, as at Peabody Terrace.

The introduction of a large number of new residents into an area will always raise many potential problems which if anticipated and worked out with the people most affected can lead to positive solutions. Some of the planning implications of the above proposal are:

1) Large numbers of people and cars will intensify the use of Beacon and Kirkland Streets' commercial and transportation facilities.

2) A large-scale residential project may spark the development of Beacon Street between Porter and Inman Squares.

3) Due to grade differences, it is possible to bridge Beacon Street at this point and open the Somerville side of Beacon Street to further development. Such development will be very important if the route 2 extension continues and cuts the section between Beacon Street and the RR from the rest of Somerville. It must be pointed out, however, that such development will increase pressure on housing and rents in that area from Harvard connected people and the decision to build must be made in conjunction with the local residents.

4) It can be predicted that the development will add a large number of school-age children to the area's already fully utilized school. It is also likely that similar development of the Garfield-Sacramento Streets site will further intensify the school problem. (Both the Sachs Estate and the Garfield-Sacramento sites are in the same school district.) It is suggested that the program for these two sites include development of a new school.

Given the above considerations - all of which are long-range, complex, involving many formal and informal agencies and directly affecting a large portion of the surrounding neighborhoods - it seems imperative that the policy-making and review board proposed by the Graduate School of Design's four demands* be charged with considering these issues in the light of a master plan. Piecemeal growth and change is not an adequate way to deal with urban problems.

There are many possible ways of financing the construction and operation of these 500 units, and the cost to Harvard will vary depending on which programs and methods are

* This board is to be composed of faculty, students, community representatives and an administrator, hired and fired by the Board; the Board will have complete control over development funds, will establish the policy for their use, will coordinate and review all University planning, and will control management of University owned properties.

used. Harvard has built housing for undergraduates, graduate students and Corporation appointees in the past. Various federal financing programs are available specifically to construct housing facilities for educational institutions, which Harvard has used in the past. This report is concerned with considering financing for low-rent units for non-University personnel.

The main costs of producing housing are land, construction, parking, legal and architectural fees. These costs can be financed by a subsidized government financing program or, if these funds are not adequate or available, Harvard can use its own endowment funds, bearing low interest. (There exists a federal financing program for creating moderate income housing, sec. 236 which in effect subsidizes interest rates down to 1% per annum. It is not suggested here because at present only 20% of the total units in a project can be subsidized to low rent levels. This is not adequate for the program proposed for the Sachs Estate. However, the 20% limit is a regulation which is open to negotiation. If 236 were used it would lower rents by \$40-50 a unit.) The final rent usually covers mortgage payments and interest, operating expenses, real estate taxes and developer's profit. This last would not apply if Harvard were the developer. To achieve low

rents the market rent must be subsidized by one of two federal programs - the leased housing program and/or the rent supplement program. This subsidy can be applied only if the cost per unit is below a certain defined level.

Although Harvard must guarantee that these low rent units be built, whether or not it is the developer, there is no reason why it has to own and control them. Original development whenever possible should be done in conjunction with neighborhood organizations and community development corporations. Where Harvard constructs these units itself, they can and should be turned over to others for management and ownership: the Cambridge Housing Authority, resident cooperatives, neighborhood corporations, etc.

The following cash-flow analysis will demonstrate some alternative financing and subsidy programs to produce 250 units of low-rent housing.

There are no accurate data from any source on family size of low income families in Cambridge. The percentages chosen for each unit size are based on the following:

1) 50% of the 250 units are for the elderly (25% are efficiencies; 25% are one bedroom units); 2) 50% of the 250 units are for low income families weighted towards the larger units: 2 BR-10%, 3 BR-15%, 4 BR-15%, 5 BR-10%.)

The City Manager's Office of Community Development is presently conducting a sample interview in Cambridge which will begin to establish these figures more precisely. The Joint Center for Urban Studies is also conducting interviews in the metropolitan Boston area which will yield this type of information. However, the housing need is so pressing at the moment that all units built immediately will be filled.

An average unit of 745 sq.ft., established by taking the weighted percentage of each unit size proposed for the Sachs Estate development, will be used as the model in this analysis.

size	square footage (based on FHA minimum standard)	percentage of total units
efficiency	500	25
1 bedroom unit	655	25
2 bedroom	735	10
3 bedroom	845	15
4 bedroom	975	15
5 bedroom	1100	10

The cost of an average unit is taken to be \$17,500:

\$13,500	construction cost on 745 sq.ft. at \$18 a sq.ft.
1,500	architectural and legal fees
2,500	parking structure (Cambridge zoning requires one parking space for every dwelling unit)
<u>\$17,500</u>	<u>total cost per unit.</u>

This proposal asks Harvard to donate its land (a large part of the Sachs Estate was a gift to Harvard). The possibility of a return to Harvard on its land will depend on the exact figures only possible when the project is underway. If it gets any return, it would certainly be low.

FINANCE CHARGES

<u>program</u>	<u>monthly mortgage & interest payments</u>	<u>operating expenses & real estate taxes</u>	<u>total</u>
Mass. Housing Finance Agency			
MHFA 6.5% mortgage, 90% loan, 40 yrs; *	\$90		
Harvard 10% loan, 5% interest	> 98 \$ 8	\$79	\$177
Harvard 100% loan, 5% interest, 40 yrs. *	84	\$76	\$160

* The Mitchell-Lama state program in N.Y. uses a 50-year mortgage, which lowers monthly costs. This longer amortization period might be used by Harvard as well.

OPERATING EXPENSES
(including a sinking fund
for major capital improve-
ments)

MHFA
\$50/unit/month

HARVARD
\$50/unit/month

FULL REAL ESTATE TAXES
(estimated at 20% gross
rentals)

\$29/unit/month

\$26/unit/month

Under the proposal Harvard would pay full real estate taxes, rather than payments-in-lieu-of-taxes, Harvard's current practice. Payment of less than full taxes is in effect a form of subsidization by the Cambridge community.

If rents are set equal to total costs (this assumes no developer's return to Harvard), these cost figures can be used to obtain rents for each unit size. Monthly rents will be set according to the square foot area of each unit, as follows:

unit size	MHFA Financing	Harvard Financing
efficiency	\$115	\$105
1 bedroom unit	150	137
2 bedroom	169	154
3 bedroom	194	177
4 bedroom	224	204
5 bedroom	258	231

Annual income levels required to pay the above rents, under the assumption that the occupants contribute 25% of their income to rent, are as follows:

unit size	MHFA Financing	Harvard Financing
efficiency	\$5520	\$5040
1 bedroom unit	7200	6576
2 bedroom	8112	7392
3 bedroom	9312	8496
4 bedroom	10752	9752
5 bedroom	12144	11088

Subsidy Programs

The above table indicates the income levels necessary to support resulting rents. Various subsidies are available to lower rents to public housing levels. Under the MHFA financing program, all units qualify for the leased public housing program (under which tenants must pay 20% of their income). The rent supplement program applies to the efficiency, two and three bedroom unit (the program requires tenants to pay 25% of their income).

Under the Harvard financing program proposed here, all units would qualify for the leased public housing program and all but the five bedroom unit qualifies for the rent supplement program.

Under either program, if long-term public housing leasing under section 10(c) is used, the city must agree to enter into a tax agreement with HUD, which has the impact of reducing real estate taxes to \$5/unit/month. This would lower the rents even further.

When proposing low rent units in large numbers, a crucial consideration is the availability of money in the different programs necessary to achieve low rent units. The Cambridge Redevelopment Authority is in the process of making a complete index of federal programs, their money allotments, how they work, how much has already been committed under each program. Below is an approximate listing for Cambridge.

Leased Public Housing (HUD)

Section 23 - short term, 5 years, with 5 yr. options

Authorized: 400 units

Committed: 117 units-under lease (these are mostly
25 units-under negotiation older bldgs. scattered
throughout the city)

Section 10(c) - long term, 40 years

Authorized: 700 units-in new construc- (400 elderly, 300 low
tion income families)

Committed: none

Authorized: 400 units in older buildings

Committed: none

Rent Supplement (FHA)

Authorized: 400 units

Committed: 24 units under lease
24 units under negotiation

One can assume that the necessary subsidies will, in all probability, be available for the Sachs Estate development, but Harvard must agree to take responsibility for these subsidies if federal funding is not available. Our estimate, based on average low-rent public housing costs, is that at most (assuming no federal subsidies are available) Harvard would have to spend approximately \$175,000 annually.

Another financing possibility is the "Turnkey" program. Under Turnkey I a private developer builds a project, and upon completion sells it to the local housing authority. The developer can get a letter of intent from the authority before he starts, but no official contract is signed until construction is completed. Turnkey II involves tenant management in new housing or existing housing. Turnkey III provides for a tenant to buy his unit if his income increases or by using his rent as equity. This program also applies to both new and existing housing. At present the program is not operating in Massachusetts due to a possible conflict with a Massachusetts statute which requires that the housing authority bid competitively.

21 May 1969

For further information contact Nancy Slavin 491-3868.

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CITY OF CAMBRIDGE



SCALE IN MILES

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City of Cambridge

Councillor Ackermann

In City Council,
June 2, 1969.

ORDERED:-

That the City Council go on record endorsing Senate Bill 1153, the same being "An Act further defining the Massachusetts Housing Authority Law" and be it further

ORDERED:-

That the City Manager be and hereby is requested to direct the Legislative Agent of the City of Cambridge to contact all members of the Senate to insure the passage of this legislation, and be it further

ORDERED:-

That the members of the City Council be and hereby are requested to contact all members of the Senate representing the City of Cambridge and urge them to take favorable action on this proposed legislation.

City Council June 2, 1969
as amended
Adopted by the affirmative vote
of 7 members

Paul E. Leahy
City Clerk

redraft # 2443

Renovation bill

AN ACT TO AMEND THE HOUSING AUTHORITY LAW TO PROVIDE FUNDS FOR
THE RENOVATION OF EXISTING HOUSING PROJECTS

Be it enacted by the Senate and House of Representatives in
General Court assembled, and by the authority of the same, as
follows:

Section 1. Section 26NN of Chapter 121 of the General Laws
is amended by adding the following subdivision:

(i) A housing authority may undertake as a separate project to renovate, remodel, reconstruct, landscape and improve existing projects or parts thereof assisted by the commonwealth pursuant to Part V of this chapter and may issue notes or bonds to finance the cost thereof. The commonwealth, acting by and through the department of community affairs, may amend the existing contract (or, if the outstanding notes or bonds are not to be refunded, shall enter into a new contract) with a housing authority for state financial assistance in the form of a guarantee by the commonwealth of notes and/or bonds of the housing authority issued to finance such costs and to refund such outstanding notes or bonds as are to be refunded.

All of the provisions of this chapter applicable to a housing project and to the existing contract for financial assistance with respect thereto shall also apply to the contract as so amended, except that the principal amount of that portion of notes or bonds issued for the purpose of financing the cost of renovating, remodeling, reconstructing, landscaping or improving such housing project (and not issued for the purpose of refunding outstanding notes or bonds with respect to the existing project) may be for a term of, and amortized over, a period approved by the department of community affairs, but not in excess of fifty years after the completion date of the original project, as determined by the department of community affairs.

Notwithstanding the provisions of section twenty-six W and the second paragraph of subdivision (a) of this section twenty-six NN, the payment of the principal of and interest on, all such notes or bonds shall be guaranteed by the commonwealth and the full faith and credit of the commonwealth is hereby pledged for any such guarantee; provided, that the total amount of notes and/or bonds so guaranteed shall not exceed fifteen million dollars in the aggregate for all projects constructed under this subdivision (i), exclusive of any such notes and/or bonds which may be issued for refunding purposes/

Each such amendment of the existing contract (or new contract) for financial assistance entered into pursuant to this subdivision (i) shall provide that the commonwealth will pay to the housing authority

annual contributions provided, however, that the total amount of annual contributions contracted for by the commonwealth for any one year pursuant to this subdivision (i) shall not exceed seven hundred fifty thousand dollars. Each such annual contribution by the commonwealth to such housing authorities shall be paid by the commonwealth upon approval and certification by the Commissioner of the department of community affairs to the state comptroller.

Each such amendment of the existing contract (or new contract) entered into pursuant to this subdivision (i) shall contain a provision that the annual contributions shall be used for the payment of interest on, and principal of, notes and/or bonds of the housing authority. The additional annual contributions made pursuant to this subdivision (i) for any one project shall not exceed five per cent of the cost of such renovation, remodeling, reconstruction, landscaping and improvements as approved by the department of community affairs and for the fixed period during which the notes and/or bonds issued to finance such costs remain outstanding but in no event for more than fifty years after the completion date of the original project, as determined by the department. Each such contract or amendment of the existing contract shall provide that whenever in any year the receipts of a housing authority in connection with a project exceed its expenditures for that project, including debt service, payments in lieu of taxes, administration, establishment of reserves and other costs, as determined by the department, an amount equal to such excess, as the department of community affairs shall prescribe, shall be applied, ~~not~~ ~~aside~~ ~~for~~ ~~application~~, for purposes which shall effect a reduction in the amount of subsequent annual contributions, provided, that, notwithstanding the foregoing or any other provision of this chapter, the principal of and interest on such notes and/or bonds shall be payable solely from annual contributions by the commonwealth or from other sources which do not adversely affect the rights of the holders of any outstanding notes or bonds. The full faith and credit of the commonwealth is hereby pledged to the payment of all contributions contracted by the commonwealth pursuant to this subdivision (i).

In addition to said annual contribution, the commonwealth shall upon approval and certification by the commissioner of the department of community affairs to the state comptroller, pay an additional annual contribution of two per cent of the cost of such renovations, remodeling, reconstruction, landscaping and improvements during any fiscal year, provided that such renovation, remodeling, reconstruction, landscaping or improvements shall have been determined to be completed and eligible to receive such annual contributions by said department; and provided further, that the commissioner of said department finds that the combined revenue and subsidy of said project is insufficient to meet the cost of operation and debt service. The additional annual contributions authorized under this paragraph shall not in any one year exceed three hundred thousand dollars.

Section 2. Section 26NN of Chapter 121 of the General Laws is hereby amended by striking therefrom paragraph h and inserting in place thereof the following:

(h)

The department of community affairs shall establish rules and regulations for the implementation of this subdivision (i) which shall provide, among other things, for housing authorities to establish and maintain with respect to any project assisted hereby, a program for resident participation in: the planning of renovation, remodeling, reconstruction, landscaping and improvement to be financed under this subdivision (i); the establishment and amendment of management policies and practices; the establishment and amendment of rental and occupancy policies and procedures; and the establishment of community service programs and the planning of community facilities. Before entering into an amendment of any existing contract for financial assistance with a housing authority pursuant to this subdivision (i), the department of community affairs shall find and certify that such housing authority has established such a program.

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