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## CITY OF CAMBRIDGE

Community Development Department

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**BRIAN P. MURPHY**  
*Assistant City Manager for  
Community Development*

To: Robert W. Healy, City Manager

From: Brian P. Murphy, Assistant City Manager for Community Development

**SUSAN GLAZER**  
*Deputy Director for  
Community Development*

Date: November 14, 2012

Re: Council Order #31 dated 7/30/12 regarding CDBG funding

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Block Grant Funds are a critical element of the City's programmatic and budgetary strategy. Because this federal program is directed toward low and moderate-income recipients and areas of the city where the residential population meets income-eligibility requirements, it enables the City to make targeted investments in housing, economic development and human services programs, thereby providing the foundation that attracts additional resources and builds the overall health and vitality of the city.

Every dollar of CDBG money invested brings in a far greater value benefit to Cambridge. These funds often make it possible for the City to tackle some of its most complicated issues and provide the seed funding for Cambridge to stay on the cutting edge of urban solutions. Attached is a short summary sheet listing program accomplishments for FY2012.

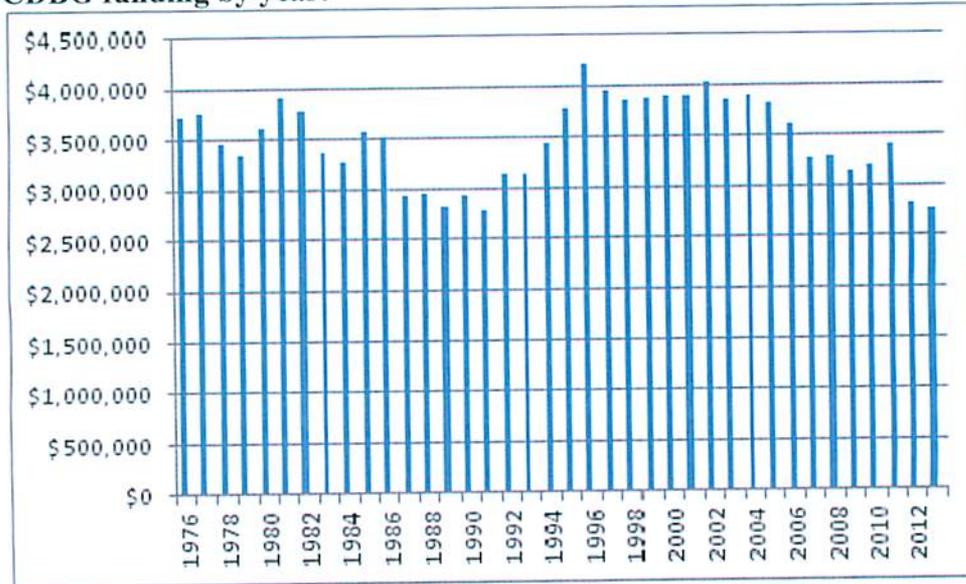
### **CDBG Overview**

The CDBG program, administered by the U.S. Department of Housing and Urban Development (HUD), was established in the 1970s to consolidate a number of smaller grant programs and achieve more effective results. The program provides annual grants on a formula basis, taking into consideration the size, degree of poverty and age of housing stock in recipient communities. Under this program, recipients may carry out a wide range of community development activities that benefit the targeted population of low and moderate-income residents, minorities and underserved individuals and families.

CDBG accounts for approximately 73% of the HUD funds Cambridge will receive in FY2013. The annual allocation to the City has averaged \$3.5 million since 1974, but Cambridge saw its largest annual decrease in the program's history (17% to \$2.8 million) in FY2012. In the coming year HUD's use of the 2010 American Community Survey (ACS) data in determining entitlement allocations afforded Cambridge a larger portion of the total CDBG program than in previous years; the result is a better-than-expected reduction of 1.45% (for a total allocation of \$2,756,823) for FY2013. To put this in context, the FY2013 allocation to Cambridge is the lowest in the program's history; the highest was \$4.2M in 1996. Funding for the Federal Fiscal Year 2013 (Cambridge's FY2014) is as yet uncertain and would be subject to significant reduction under the

sequestration (“fiscal cliff”) scenario, which would trigger automatic cuts to the federal budget, including HUD entitlement programs.

**CDBG funding by year:**



**HOME Investment Partnership Program (HOME)**

The HOME program, enacted through the Cranston-Gonzalez Affordable Housing Act of 1993, is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. It is structured to enhance partnerships among all levels of government and the private sector in the development of affordable housing. Cambridge uses HOME funds in conjunction with CBDG funding to support its solid commitment to the development and preservation of affordable housing in an area where high real estate values and strong market competition challenge the ability to do this important work.

HOME provides formula-based grants that are often used in partnership with local nonprofit groups-to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct assistance to low-income people. HOME’s technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of these partners, and HOME’s fund-matching requirements help to mobilize community resources in support of affordable housing. From FY2004 through FY2012 the City’s annual HOME allocation averaged \$1.1M, but fell to \$701,776 in FY2013.

**Cambridge’s investment in projects and programs using federal grant funds:**

Following are some specific examples of projects and programs that have strengthened the fabric of our city, through community development and revitalization, economic and workforce development, and public services.

#### **AFFORDABLE HOUSING (CDBG AND/OR HOME FUNDS)**

- **Windsor Street Condominiums** – Nearing completion, the redevelopment of historic landmark church and adjacent rectory building created 14 (one to four bedroom) homeownership units designed for families.
- **Putnam Green** - New construction of 40 one, two and three bedroom rental apartments in two architecturally distinctive buildings. Built on former brownfield site, it includes many sustainable features and was designed to LEED Platinum standards and to meet the State’s new Stretch Code for energy efficiency.
- **Print Shop Condominiums** – Redevelopment of blighted site to create 24 homeownership units (14 family-sized) adjacent to new City park. Sustainable features include rooftop solar; metal tile siding made from recycled metals; high efficiency heating and cooling systems; energy-star fixtures and appliances.
- **95 Pine Street** – “Gut” rehabilitation of existing property in vibrant neighborhood, near transportation and services, to preserve affordability and create 12 spacious, family-sized rental units (including 1 fully accessible). Green features include rooftop photovoltaic and solar thermal arrays to defray utility costs; received LEED Platinum certification. Exterior was fully restored to improve both building and the streetscape—a local model for historically sensitive and environmentally sustainable rehab work.
- **821 Main Street**- Redevelopment of former night club property to create 10 affordable homeownership units (one, two and three bedroom) in vibrant, centrally located neighborhood. Awarded LEED Platinum Certification for achievement in green homebuilding and design.
- **Scouting Way** – Through innovative combination of historic preservation and new construction, redeveloped deteriorated property to create 13-unit (5 two-bedroom and 8 three-bedroom) rental property adjacent to City park. Energy-efficient features (lighting, appliances, heating and ventilation) help to make project both environmentally friendly and economically sustainable. Received 2005 Preservation Award from the Cambridge Historical Commission
- **Trolley Square Apartments** – Redevelopment of highly visible North Cambridge MBTA bus storage site to create 40 units of affordable

housing (32 rental and 8 homeownership) plus 2,800 square feet of commercial and community space, an underground garage, and publicly accessible open space containing public art installation. With a range of “green” features, it received: American Institute of Architects “Show You’re Green” award; The Home Depot Foundation “Award of Excellence”; Boston Society of Architects John M. Clancy award for Socially Responsible Housing; The Enterprise Foundation’s first “Green Communities” award.

### **Rehabilitation Assistance Program/Just a Start Youthbuild**

Through this program, out-of-school youth (age 17-24) received hands-on rehabilitation/construction skills training and experience by working on non-profit sponsored housing projects and public housing sites in Cambridge. Just-A-Start administers the program with financial support from the City through the CDBG program. In FY2012, 125 youths participated in the program, working on projects that included the complete renovation of a single-family home which was sold to a first-time homebuyer through the City’s homebuyer program. Program participants are involved in community service and attend leadership trainings as they work toward their GED certificates; they receive supportive counseling services during and for a year after completion of the program.

### **ECONOMIC DEVELOPMENT: BEST RETAIL PRACTICES CONSULTATIONS AND GRANTS**

Cambridge’s Best Retail Practices program, established over a decade ago, has served as a successful model for other HUD grantee communities seeking to keep local businesses competitive and vibrant. The federal funds enable one-on-one consulting and grant awards (up to \$2,000) for eligible businesses to implement recommendations that will attract new business and retain customers. Typical improvements made possible by these grants include: development and production of marketing materials and branded packaging; interior design and merchandising upgrades; outdoor café seating and planters; computer, video and digital display equipment; web site development and presentation photography. Over time, the critical mass of participants, from all areas of the city, in this popular program has served to strengthen Cambridge’s commercial districts and corridors.

FY2012 program participants included:

#### **North Cambridge**

- Pemberton Farms
- Knucklebones
- Elle Experience Salon

#### **Cambridge Street & Inman Square area**

- Threla
- Clover Food Lab
- East by Northeast
- Kundalini Yoga

**Mass Ave/Harvard Square**

- Zinneken's
- Bob Slate Stationery

**Central Square**

- Boomerangs
- Veggie Galaxy

**PUBLIC SERVICES: DEPARTMENT OF HUMAN SERVICE PROGRAMS (DHSP)**

The 15% portion of the City's annual CDBG allocation that funds public services through DHSP has been used to support high-value programs in the community that address the needs of Cambridge's most vulnerable residents. Programs recently funded include:

- Emergency food pantry services for low and moderate-income residents of Area IV and East Cambridge through the **Margaret Fuller House** and the **East End House**
- Transportation services for elders and those with disabilities through **SCM Community Transportation**
- Legal advice and representation services to prevent homelessness and involuntary dislocation of individuals and families through **Community Legal Services & Counseling Center**
- Summer activities for youths with emotional/behavioral difficulties through **Cambridge Camping Association**
- Bilingual/bicultural assistance and services to immigrant families through **The Guidance Center**
- Legal services for victims of Domestic Violence through **Greater Boston Legal Services, Cambridge & Somerville Legal Services** and **Community Legal Services and Counseling Center**
- After-school and year-round job and skill training for youths through the **Young People's Project, Just-A-Start Corporation, and the Cambridge Housing Authority**

Thanks, in part, to this critical federal funding, Cambridge has been able to seed and develop all the hallmarks of a healthy community—a range of housing and open space options; access to jobs; a ready and skilled workforce; high quality

public services; and vibrant neighborhoods that provide a broad selection of goods and services. City staff will continue to participate in advocacy efforts that support these block grant programs and demonstrate the high return on public investment achieved through their implementation over time.

# CITY OF CAMBRIDGE

## CDBG & HOME ACCOMPLISHMENTS FOR FY2012

### Overview

- The City received **\$3,817,386** in CDBG (\$2,797,332) and HOME (\$1,020,054) funds for FY2012.
- A total of **\$36,353,248** in private and public funding was leveraged in the utilization of CDBG and HOME funds (**\$26,063,405** in private / non-profit sources). For every \$1 in CDBG and HOME funds the City leveraged an additional **\$9.52**.
- **811** affordable housing units created, preserved or assisted, **161** residents and/or local businesses assisted via Economic Development, and **6,876** persons were assisted through the Public Services component of the CDBG program.
- **Neighborhood Revitalization Strategy Area (NRSA)** covers approximately 29% of Cambridge via two strategy areas, the NRS West being primarily situated along northern Mass. Ave and Rindge Ave., and the NRS East extending across much of the eastern part of the City. The NRSA is required to be an area that is >50% residential and >55.75% low and moderate income and affords the City greater flexibility in utilizing CDBG funds for affordable housing, economic development and public services activities.

### Housing

- **\$2,123,333** in CDBG and HOME funds were utilized for housing activities, such as construction, rehabilitation, homebuyer assistance, lead-based paint testing and abatement, among others.
- **137** new affordable rental units were in various stages of development.
- **20** new affordable home-ownership units were created.
- **628** units (rental) were assisted to preserve their affordability, including **122** units at the Cambridge Court apartments for seniors.
- **26** income eligible owner occupied units were stabilized via the Home Improvement Program.
- **583** residents were assisted via the First Time Home Buyers Program.

### Economic Development

- **\$150,000** in CDBG funds were spent on economic development activities such as direct financial assistance to businesses, commercial and industrial improvements, among others.
- CDBG supported intensive job training for **13** Cambridge residents in the biotech and energy efficiency industries.
- **31** local micro-enterprise businesses received consultation via the Best Retail Practice Program, with **10** receiving **\$2000** grants to improve and enhance their businesses.
- **117** residents attended financial literacy and associated training workshops.

### Department of Human Services Programs

**15%** of the City's annual CDBG allocation is utilized by the City's Department of Human Service Programs. In FY2012 CDBG funds in the amount of **\$419,591** were spent on public services, such as senior and youth programs, health services, employment training, services for abused and neglected children, and services for the disabled, among others.