

11/02/18

DRAFT POLICY DEVELOPMENT MATERIAL  
OFFERED FOR NEGOTIATION PURPOSES

November \_\_, 2018

Mr. Jeff Allan, President  
The Margaret Fuller Neighborhood House, Inc.  
71 Cherry Street  
Cambridge, MA 02139

Re: Letter of Intent/Expression of Objectives  
MFH/CRA Cooperation

Dear Mr. Schwartz:

This Letter of Intent (“**Letter**”) is written to reflect the shared objectives and understandings of The Margaret Fuller Neighborhood House, Inc. (the “**MFH**”) and the Cambridge Redevelopment Authority (the “**CRA**”, together with MFH, the “**Parties**” or individually, a “**Party**”) concerning our joint efforts to cooperate regarding the future of MFH’s property located at 71 Cherry Street, Cambridge (the “**Site**”) as shown on Exhibit A. The Letter is informed by the following mutual understandings:

- The Site is located within the Port neighborhood of the City of Cambridge (the “**City**”), proximate to Kendall Square, where the CRA has long been active;
- From the Site, MFH has provided community programs and has been an active and important part of the City’s social service network for decades. Today, it is exploring its future;
- The CRA is initiating the final phase of the successful Kendall Square Urban Renewal Plan, started in 1965, pursuant to which the Kendall Square Urban Renewal Area has been redeveloped. Over the last several years, the CRA has explored ways to evidence the success of this redevelopment project in other areas of the City;
- The City Council of the City has declared that increasing access to affordable housing is a top priority of the City’s, and the City’s City Manager has reinforced this objective on numerous occasions (the “**City’s Housing Goals**”);
- The Parties are interesting in pursuing the possibility of leveraging the CRA’s resources in a manner that furthers the City’s Housing Goals while at the same time assisting MFH in furthering its mission.

The Parties acknowledge that important aspects set forth in this Letter are conceptual, and that the further definition of the elements set forth below could affect the Parties' respective positions regarding any element of this Letter, so it is premature to attempt to develop a complete or definitive statement of all the terms and conditions of any agreement between them regarding the Project. The negotiation of terms and conditions satisfactory to the Parties will continue before a legally binding agreement is completed. This Letter is intended to be non-binding and to serve as a guideline for the negotiations necessary to finalize an agreement between the Parties with respect to the matters set forth below (the "**Agreement**") which the Parties agree to use their respective commercially reasonable efforts to complete as soon as reasonably practicable or in alignment with a mutually agreeable milestone.

With those understandings in mind, the Parties execute this Letter and agree to the following.

1. The Parties agree to immediately begin working together on a regular basis to explore ways in which they can cooperate with each other to explore their joint objectives;

2. MFH seeks from the CRA a loan in the principal amount of \$200,000, plus an agreed-upon interest rate (the "**Loan**") in order to assist MFH with the financing of its core programs;

3. MFH agrees to immediately make available to the CRA such financial, program, personnel and other information as the CRA may reasonably request to consider whether it is advisable for the CRA to extend the Loan, and to make a determination with respect to such Loan on or before December 31, 2018 (such date, regardless of when it occurs, the "**Loan Decision Date**"). MFH acknowledges that some or all of such information may be considered a public record in accordance with the Commonwealth's Public Records Law.

4. To the extent the CRA determines, in its sole and absolute discretion, that it will extend the Loan, the Loan will be secured by a valid, enforceable, record second (third?) mortgage on the Site, plus such other terms and conditions as the CRA may reasonably require. In the event that the CRA determines, in its sole and absolute discretion, that it will not extend the Loan, this Parties will cease their joint efforts with no recourse by or to either Party;

5. The Parties also agree to immediately begin evaluating the potential for the CRA to become engaged in a "Housing Improvement Project" (a "**Project**") consistent with its authority under Mass. Gen. L. c. 121B pursuant to which it would use some or all of the Site to advance the City's Housing Goals while also continuing with the MFH's core mission. The Parties agree to make a determination as to whether it is in their mutual best interest to engage in a Project on or before June 30, 2019 (such date, regardless of when it occurs, the "**Project Decision Date**"). Any such decision to pursue or to not pursue the Project shall be made by each of the Parties in their sole and absolute discretion and shall confirmed by each Party in writing.

6. As a part of its due diligence in connection with both the Loan and the Project, the MFH agrees that the CRA plans to engage with City officials regarding the furtherance of the City's Housing Goals in a manner consistent with this Letter. The Parties agree that the nature of

the subject of this Letter is such that it will require public outreach and conversation with City and other officials, the immediate and greater communities, and other stakeholder, and agree to cooperate with each other on public outreach in the pursuit and completion of their joint objectives.

7. The Parties agree that: (a) in the event they decide to pursue the Project, the Parties agree to use their respective reasonable efforts to conclude an Agreement on or before a date which is not more than sixty (60) days following the Project Decision Date. They further agree that in any such Agreement, the Loan will be converted to either a longer term loan or a form of equity contribution in a manner acceptable to the Parties; and (b) in the event they decide to not pursue the Project, the Loan will be due in full not later than thirty days following the Project Decision Date.

\* \* \* \*

We enclose two copies of this Letter for your review. Should the terms meet with your approval, we ask that you execute all copies and return an original copy for the CRA's files.

Thank you. We look forward to working with you toward a mutually satisfactory transaction.

Sincerely,

**CAMBRIDGE REDEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_  
Thomas Evans, Executive Director

AGREED AND ASSENTED TO: November \_\_, 2018

**THE MARGARET FULLER  
NEIGHBORHOOD HOUSE, INC.**

By: \_\_\_\_\_  
Duly authorized

Enclosures [all to be reviewed]:

Exhibit A – The Site

EXHIBIT A

THE SITE

DRAFT