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Cambridge Redevelopment Authority purchases building to preserve nonprofit social service space

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Cambridge, MA The Cambridge Redevelopment Authority (CRA) and the nonprofit Enroot finalized the purchase and sale of the building at 93- 99 Bishop Allen Dr. in Central Sq. Under the CRA's ownership, the building will remain affordable and available for the provision of nonprofit services today and in the future. The transaction, supported by local advocates and organizations, is an important step toward addressing the bigger regional issue of dwindling affordable office space for nonprofits.

Enroot, formerly Cambridge Community Services, has owned and operated the building since 1965. Today, the 1855 converted townhouse building is home to over 100 staff from 11 nonprofit agencies that support local residents by providing children with affordable summer camps, improving math literacy and other academic skills, engaging youth with chronic illnesses in the arts, bolstering the city's nonprofit sector and small businesses, and providing counseling to survivors of sexual violence.

Building tenants have been aware of Enroot's decision to sell the building since September 2018. The property was formally put on the market in March of this year and Enroot signed a PSA with the CRA in May.

"Enroot is thrilled by this outcome and grateful to the many individuals around the community that worked tirelessly to make it possible," said Ben Clark, executive director of Enroot.

Escalating prices of commercial real estate in Cambridge and beyond are causing the displacement of nonprofit agencies, including Green Street Studios, Big Brothers Big Sisters of Massachusetts Bay, and many small local nonprofits. The sale of 93-99 Bishop Allen Dr. could have put the building's nonprofit tenants – who largely serve local residents – at risk for significant rent increases and displacement out of the city.

The building has been the home to social services for over fifty years, making it familiar to local families. It provides a uniquely important location and amenities for the services offered in it, including being close to public transportation and a range of other services in Central Square; being within walking distance for many families accessing its services; providing anonymity; and feeling welcoming due to its layout.

The path to the purchase of the property by the CRA started with actions taken by a building tenant,

the Cambridge Community Foundation (CCF), which is the city's local giving platform, supporting shared prosperity, social equity, and cultural richness in Cambridge, and whose mission is realized through its nonprofit partners. The foundation was joined by building tenants, civic leaders, and community advocates.

In the fall of 2018, CCF asked Enroot to delay its sale process to allow the foundation and tenants time to explore solutions for preserving the property for nonprofit use. Enroot agreed to this request and also extended the tenancies of all occupants to 2021. CCF invited the CRA to join them in considering solutions, given the CRA's social and equity focused mission.

The CRA was established in 1956 in order to facilitate new development and private investment in Cambridge. In 2014, the agency completed a new strategic plan with a broader mission to implement imaginative, creative initiatives to achieve social equity and a balanced economic ecosystem. The agency seeks to fill gaps and is playing an increasingly larger role in supporting social services and community programs through real estate transactions and capital investments.

"When the Cambridge Community Foundation approached us, the CRA knew that this was a moment to leverage our financial resources and invest in a unique property to preserve the home of key institutions serving the Cambridge community," said Tom Evans, executive director of the CRA.

CCF and the CRA signed an MOU in December of 2018 to explore options for sustaining the nonprofit use of the property. That process resulted in the CRA making a real estate offer in the spring of 2019.

Nonprofits and residents alike advocated for a sale of the property to the CRA, demonstrating a growing anxiety over rising commercial rents and their negative impact on local social services. Seven city councilors also wrote letters of support for the CRA offer.

"The successful sale of 99 Bishop Allen Dr. and the groundswell of support we received throughout the process showcase Cambridge's willingness to stand by its values in the face of change. We are grateful to the CRA for stepping up, to Enroot for being a good partner, and to all who supported the cause of looking out for the nonprofit sector," said Geeta Pradhan, president of the CCF.

The CRA plans to preserve the property for existing tenants and also pursue the establishment of a nonprofit center that could provide additional benefits for other nonprofit programs throughout Cambridge.

Over the next year, the CRA will focus on conducting \$2 million in improvements to the building, in order to enhance life and safety systems and make the space more useful for its tenants. Improvements will include a new elevator, ADA compliant bathrooms, upgrades to the HVAC system, fire safety improvements and the development or improvement of shared amenities, including a shared meeting room. The CRA will be working with current tenants in order to identify any improvements they may want out of the pending renovations, while also minimizing disruption of their work during the construction.

Longer term plans will focus on converting the building into a nonprofit center, a growing trend that allows nonprofits to benefit from economies of scale and shared space in order to lower costs and gain valuable connections with other agencies in their field. According to the Nonprofit Centers Network (NCN), as of mid-2018 there were over 475 nonprofit centers across the United States and Canada, with an additional 230 in development or exploration. A 2011 study by NCN (Measuring Collaboration: The Benefits and Impacts of Nonprofit Centers) found that nonprofit centers result in both increased effectiveness and efficiency for nonprofits, as well as reducing the burden on often tightly stretched budgets. Organizations located in nonprofit center saw an average cost savings of 7% of their annual operating costs.

For tenants in the building, 93-99 Bishop Allen Dr. will provide below market rent, shared meeting rooms, opportunities for peer learning, and may provide other benefits, such as shared copier or internet service. The property will also provide benefits for nonprofits who are not located in the building, perhaps to include a mailing address, low cost meeting space or low- cost use of copying and printing.

This milestone marks the start of a partnership between the CRA and CCF to address the growing crisis in affordable office space for agencies serving the local community. The CRA will be soliciting feedback from nonprofit organizations city-wide in order to identify which programs and shared space benefits a new nonprofit center could provide for them. The CRA and Cambridge Community Foundation and other partners they will engage will build on the legacy initiated by Enroot's sale of their building in order to identify and implement creative solutions to protect affordable office space for the public good.

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