



CITY OF WATERTOWN

AFFORDABLE HOUSING TRUST

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Minutes of Watertown Affordable Housing Trust Meeting April 16, 2024 6:03PM, Hybrid Participation

Attendance

Members present: Cliff Cook, Jill Hyde, David Leon, Helen Oliver (remote), Leo Patterson, and Zoe Weinrobe (remote). George Proakis was not present. Non-members present in person: Larry Field (staff), Alisa Gardner-Todreas, and Mel Miller. Non-members present remotely: Jacky VanLeeuwen, Adam Schultz, Jackie Sullivan, Anthony Palomba, and Michael Lara.

I. Minutes of March 19, 2024 meeting

The minutes of the March 19, 2024 meeting were unanimously accepted.

II. Presentation on Recent Affordable Housing Projects in Nearby Communities

Larry made a presentation (attached) on five recent affordable housing projects in nearby communities: Arlington (Downing Square), Framingham (Carlson Crossing), Newton (West Newton Armory), Somerville (24 Webster Ave) and Waltham (Leland House). Zoe said that while 9% tax credits are attractive because they cover more of the project cost, 4% credits work better for projects over 50 units because there is a \$10 million/project cap on 9% credits.

Members discussed several aspects of the surveyed projects, including the additional cost of Passive House standards (now down to 2-3%, with long-term savings); the average timeline between site control and construction start (3-4 years), the current rate of construction cost escalation (now around 3%), and the impact of higher interest rates as project timelines lengthen.

III. Update: Watertown Square Plan

Larry said that there was a strong turnout on April 4, with over 250 people attending in person and about 115 on Zoom (not counting those watching the WCATV broadcast). The Utile team proposed three density/height tiers as well as a by right/site plan area that would qualify under the MBTA Communities zoning law. The Utile team also proposed allowing an additional floor by special permit for affordable developments (defined as 50% or more affordable units) and a parking minimum for such developments of .25/unit with a further reduction by special permit. Larry said the next step is for the City to finish compiling feedback and for Utile to draft its report, including more detail on design standards.

IV. Update: Willow Park Redevelopment

Michael Lara, the Housing Authority's executive director, introduced Mel Miller from Preservation of Affordable Housing (POAH), the developer selected to work on the Willow Park redevelopment project. Mel said that POAH is still in the early planning stages and focusing on site due diligence and reaching out to the Willow Park residents and surrounding community members to obtain their input. She noted that POAH has met once with the City's planning staff and will meet again the next day.

Cliff asked about POAH's likely timeframe. Mel said that POAH hopes to submit a pre-application to the state this fall for 4% tax credits and soft debt/grants. She added that once you are allowed to participate in the funding round it often takes more than one round before there is an award. Jill asked about the resident relocation plan. Mel said they are hoping to have one construction phase but are early in planning and talking with residents about relocation. The goal is to have all existing tenants return.

VI. Other Business

There was no new business.

VII. Executive Session

Cliff said there was information to discuss in executive session pursuant to the provisions of G.L. c.30A, §21(a)(6), particularly to consider the purchase, exchange, lease or value of real property where an open meeting may have a detrimental effect on the negotiating position of the public body. The trustees voted unanimously to go into executive session and a motion to adjourn the public meeting passed unanimously at approximately 7:07 PM.

Recent Affordable Housing Projects in Nearby Communities

WATERTOWN AFFORDABLE HOUSING TRUST

APRIL 16, 2024

Recent projects--overview

Project	Community	Type	Developer	Units
Downing Square	Arlington	Family	Housing Corp of Arlington	48
Carlson Crossing	Framingham	Public housing redevelopment	Framingham Housing Authority	68
West Newton Armory	Newton	Mix	Metro West Collaborative Development	43
24 Webster Ave	Somerville	Family	Just-a-Start Corporation	42
Leland House	Waltham	Senior	2Life Communities	68

Downing Square

Two sites:

- 117 Broadway
- 112-114 Lowell Street



Downing Square: Overview

- Two sites, 3 buildings, 2.5 miles apart
- 117 Broadway: 4-story, elevator building with EATS market
- 112 Lowell: 3-story walkup
- 114 Lowell: 4-story, elevator building
- 48 units, 15% three BRs
- 16 units at 30% AMI, 32 at 60% AMI
- Parking: 40 surface parking spaces
- Acquired sites in 2014 & 2016
- Completed 2022



Building 2: 112 & 114 Lowell St

Downing Square: Zoning path



- Used Arlington's special permit zoning
- Both sites (117 Broadway and 112/114 Lowell St) received permits from the Arlington Redevelopment Board in late 2016
- Both requested parking reductions based on the Town's Transportation Demand Management provision
- Parking reduced from 76 required spaces to 40

Downing Square: Funding

- Construction Closing in late 2019; Permanent Loan Closing January 2023
- Funding sources included:
 - ✓ Federal 9% credits generating \$10M in equity & State tax credits generating \$2.8M
 - ✓ \$4.16M permanent loan
 - ✓ \$5.12M in state grants and soft debt (HIF \$2M, HSF \$1.32M, AHTF \$1.8M)
 - ✓ \$2.57M in North Suburban HOME Consortium money
 - ✓ \$600,000 in Arlington CPA funds
 - ✓ \$1.1M in other Town sources (CDBG \$540,000, ARPA \$319,000, Town loan \$255,000)
- Project-based vouchers: Eleven Section 8, five units receive federal operating subsidies through Somerville Homeless Coalition

Carlson Crossing West: Overview

- Federal public housing built in 1957
- 17 low-rise, wood frame buildings over 8 acres
- 68 family units, with 53% three or four BRs
- All at 30% AMI
- Planning for gut rehab began around 2017
- Completion expected summer 2024
- Carlson Crossing East redevelopment now in funding stage



FHA rendering

Carlson Crossing: under construction



Carlson Crossing: Funding

- Construction Closing in early 2023
- Funding sources included:
 - ✓ Federal 4% credits generating \$19.8M in equity & State tax credits generating \$2M
 - ✓ \$22 million in tax-exempt bonds issued by MassDevelopment
 - ✓ First Mortgage (\$14.3M) from Massachusetts Housing Partnership
 - ✓ Second Mortgage/General Partner equity--\$1.39M
 - ✓ \$2.64 million ARPA loan
 - ✓ Sales tax exemption savings credit of \$550,000
 - ✓ \$442,000 in HOME money (\$241,000 in Framingham HOME \$\$ & \$201,000 from WestMetro HOME Consortium in “consolidated pool” \$\$)
 - ✓ City of Framingham sponsor note \$195,000

West Newton Armory



West Newton Armory: Overview

- The Armory building housed the MA National Guard for about 100 years, then became “surplus” state property
- Project will re-use the Armory Headhouse & add a 4-story building
- 43 units, with 16% three BRs
- 15 units at 30% AMI, 28 units at 60%
- Parking: 26 residential / garage spaces
- New construction will be built to Passive House standards
- Start in 2025, with 2027 expected completion



RFP Process for Armory property

- Newton acquired the de-commissioned Armory from the state for \$1 in 2021
- In July 2021, Newton released RFP to transform the Armory into affordable housing
- Seven proposals received
- Metro West Collaborative/Civico Development selected in December 2021



West Newton Armory: Zoning path

Chapter 40B Handbook for
Zoning Boards of Appeal

March 2017

- Used Chapter 40B Comprehensive Permit
- With City's support, obtained "project eligibility letter" June 2022
- 40B application to Newton ZBA included waivers for height, density, and parking
- Height: 2 stories by right/4 special permit—requested 4
- Parking: 86 spaces by right/22 special permit—requested 26
- Density: lot area/unit of 1200 sf required—requested 771 sf
- Permit approved January 2023

West Newton Armory: funding

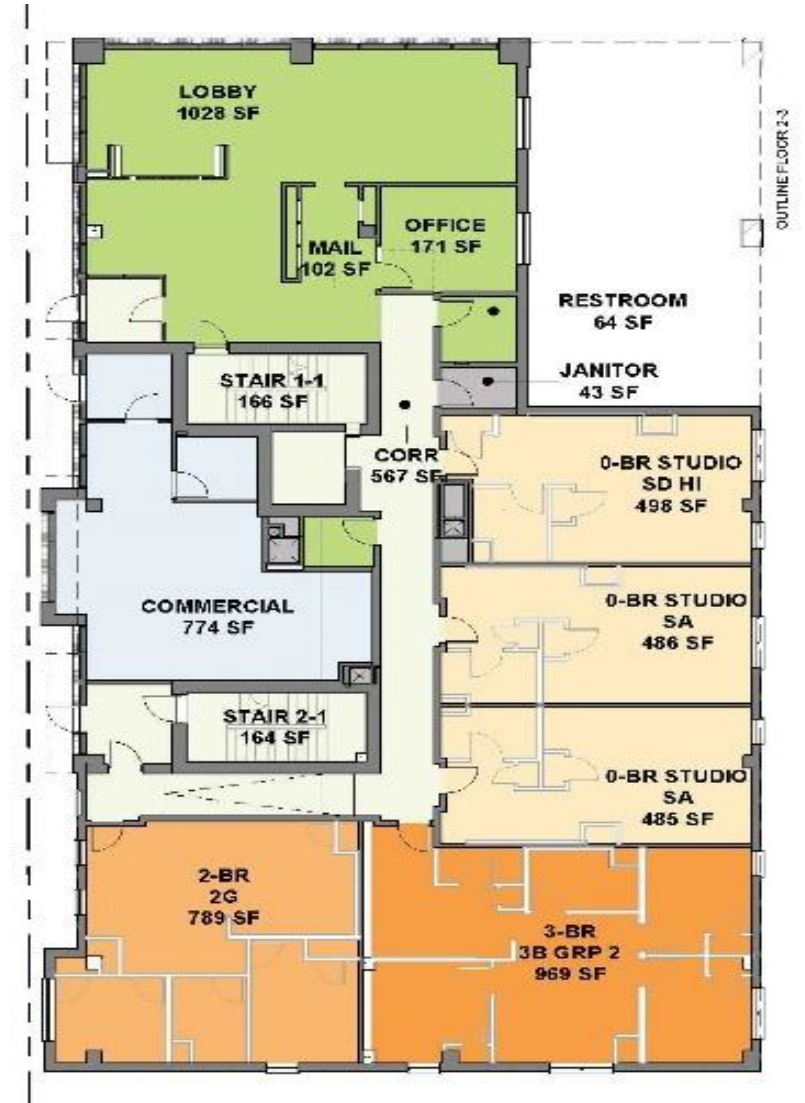
- Construction Closing expected in 2025
- Funding sources include:
 - ✓ Federal 4% credits expected to generate \$12M in equity & State tax credits \$2.1M
 - ✓ \$15M in tax-exempt bonds issued by MassDevelopment
 - ✓ \$5.4M in state grants & soft debt (HSF, AHTF, TOD, CBH, HIF and State HOME \$)
 - ✓ City of Newton--\$3M in CPA funds, \$930,000 in CDBG, \$890,000 Inclusionary Zoning payments, \$132,023 in Newton HOME \$
 - ✓ WestMetro HOME awards (\$630,000 HOME-ARP, \$690,641 from “consolidated pool”)
- Project-based vouchers: Eight Section 8; seven MRVP

24 Webster Avenue



24 Webster: Overview

- Site is near new Green Line T stop in Union Square
- Redevelopment of former commercial site
- Building on .24 acres—5 floors over podium
- 42 units, with 31% three BRs
- 8 units at 30% AMI, 34 at 60% AMI
- Parking: 4 spaces (0 required for affordable project)
- Will be built to Passive House standards
- Small 1st floor commercial space
- Targeting 2025 start & completion 2026/early 2027



First floor plan

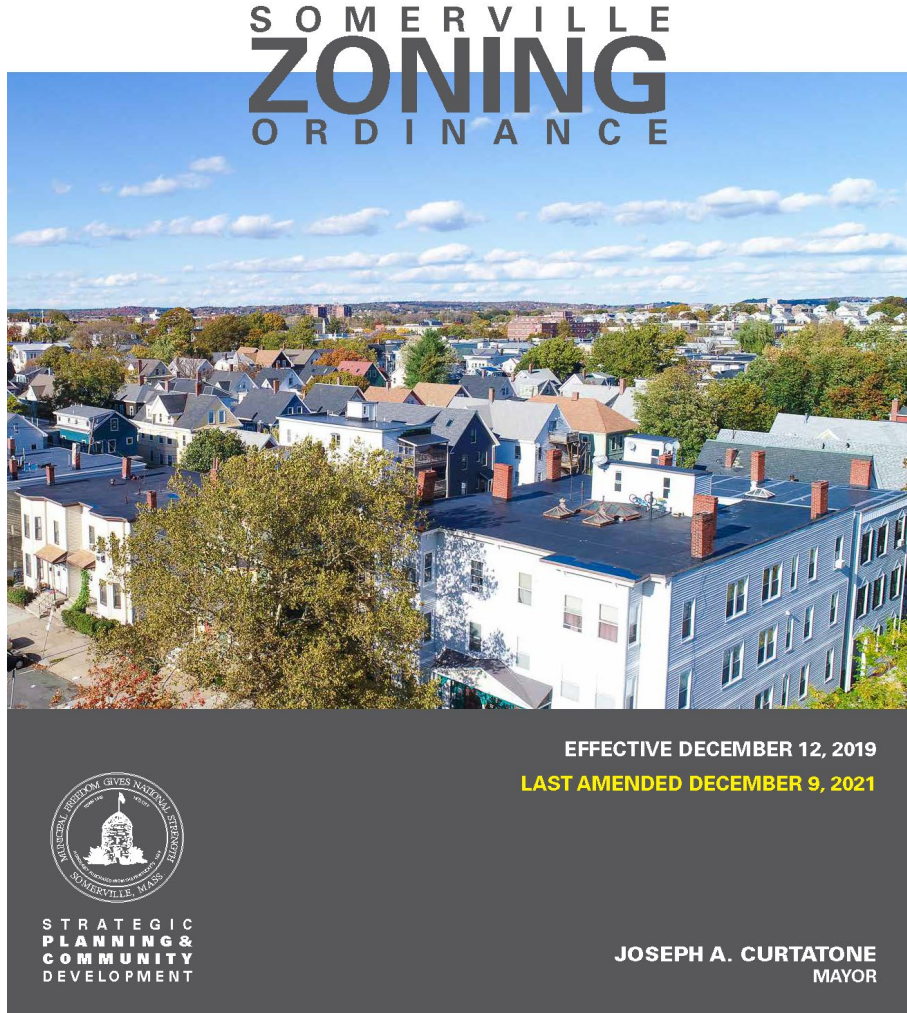
24 Webster Ave: site

- Built in 1921 to expand adjacent parochial school; church sold building in 1965
- Community Builders Cooperative operated the site for 50+ years. When most members were ready to retire, the CBC sought out Just-a-Start Corporation. It was acquired for \$3.9 million in 2021.



24 Webster Ave: Funding

- Construction Closing expected in 2025
- Waiting for tax-exempt bond allocation from MassDevelopment (\$19.6M requested)
- Funding sources include:
 - ✓ Federal 4% credits generating \$14.8M in equity & State tax credits \$3.8M in equity
 - ✓ State grants & soft debt (\$2 AHTF; \$1.5M TOD; \$1M HSF; \$750,000 CBH)
 - ✓ Somerville Affordable Housing Trust \$4.6M
 - ✓ \$1M in state HOME money/\$500,000 in city HOME money
 - ✓ \$330,000 in predevelopment funding from CEDAC
 - ✓ \$100,000 in CPA funds to preserve 14-foot historic entry window
- Project-based vouchers: applied for eight Section 8 vouchers



24 Webster: Zoning path

- Used affordable housing overlay adopted December 2020
- Overlay applies to 100% affordable developments
- By right zoning
- Allows up to 7 floors in Mid-Rise District
- No minimum parking requirement
- May deviate up to 5% on other dimensional requirements

Leland House: Overview

- Site of former Leland Home, traditional “rest home” built in 1879
- 3-story building on 1.5 acres, adjacent to Waltham Senior Center
- 68 senior units, all at 60% AMI or below
- Village Center with lobby, multipurpose rooms – library, lounge, game room, dining area, classroom/fitness space, wellness/ health suite
- Surface parking: 51 spaces (.75/unit)
- 100% electric, on-track to be Passive House certified
- Construction started summer 2023; completion expected fall 2024



Leland House: Under construction



Leland House: Zoning path

Chapter 40B Handbook for
Zoning Boards of Appeal

March 2017



- Used Chapter 40B Comprehensive Permit
- With City's support, obtained "project eligibility letter" November 2021
- 40B application to Waltham ZBA included waivers for use, parking, and maximum lot coverage
- Use: Multifamily not allowed in zone
- Parking: 136 spaces required—requested 51 (.75/unit)
- Lot coverage: 30% max—requested 39.5%
- Permit approved March 2022

Leland House: Funding

- Construction Closing in August 2023
- Permanent funding sources include:
 - ✓ Federal 4% credits generating \$17.2M in equity & State tax credits \$4M in equity
 - ✓ \$6M in Waltham CPA funds
 - ✓ \$6.5M in State subordinate debt (\$825k HOME; \$1.5M HSF; \$1.75M AHTF; \$1M HIF; \$2M ARPA)
 - ✓ \$2.7M First Mortgage Loan from Massachusetts Housing Partnership
 - ✓ \$229,000 in MassSave Passive House incentives
- Project-based vouchers: Eight Section 8; 16 MRVP

Comparison: Estimated project uses

Category	Downing Sq	Armory	Webster	Leland Hse
Acquisition	\$2,450,000	\$1		\$100,000
Construction	\$16,400,000	\$20,700,000	\$22,500,000	\$26,000,000
Soft costs	\$4,900,000	\$5,200,000	\$6,500,000	\$7,458,000
Developer fee & overhead (including deferred)	\$1,850,000	\$1,420,000		\$2,876,000
Reserves	\$400,000	\$525,000		\$296,000
Total uses	\$26,000,000	\$29,000,000	\$31,500,000	\$36, 730,000