



CITY OF WATERTOWN

AFFORDABLE HOUSING TRUST

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Minutes of Watertown Affordable Housing Trust Meeting September 17, 2024 6:12 PM, Remote Participation Only

Attendance

Members present: Cliff Cook, Jill Hyde, Helen Oliver, David Leon, Leo Patterson (remote).
Members not present: Zoe Weinrobe and George Proakis. Non-members present: Larry Field (staff), Caitlin Madden, Kristen Duffy, Jacky VanLeeuwen, Mel Miller, Cory Mian, Allen Gallagher, James Mello, Joel Grimm, Jackie Sullivan and Mark Krackiewicz.

I. Minutes of July 10, 2024 and August 6, 2024 meetings

Minutes of the July 10 and August 6, 2024 meetings were unanimously accepted.

II. Funding Sources/Potential Project uses for Affordable Housing Trust

Larry reported on the Trust's available money (approximately \$1,286,000) and its sources (City Budget, Affordable Housing Development Fund, Community Development Block Grant program income, HOME program income). He also presented, for discussion purposes, three options for potential uses (allocating differing percentages between a pre-development reserve, current projects and future projects). He also noted that linkage fees are unlikely to be available until 2027. The spreadsheets are attached to these minutes.

The trustees agreed that the "balanced" option seemed best but, as the Trust does not need to choose a spending strategy, no vote was taken.

III. Willow Park: pre-development funding request

Mel Miller and Cory Mian/Preservation of Affordable Housing (POAH) made a presentation on the Willow Park redevelopment project (PowerPoint attached). The project would provide 60 public housing units (replacing those in the existing buildings) and an additional 78 deed-restricted affordable units. POAH requested \$400,000 from the Trust to help fund pre-development activities.

Trustee questions about the project included the following: the effect of integrating 95-97 Nichols Avenue into the project (adding this property is mainly why the project was able to increase the units and parking spaces from the initial proposal); the income tiers for the additional units (all at/below 80% area median income but no decisions yet on tiers); whether there could be any advantages to the Housing Authority's 103 Nichols proposed group home with the addition of 95-97 Nichols Ave to Willow Park (yes—it allows for a better driveway situation on Nichols Ave); whether the project will use a

“podium” structure to allow for parking under the building (yes on Building A, but not sure about the others); and the relocation plans (currently one phase, but no final decision has been made).

The trustees and POAH discussed the project’s overall funding needs and potential sources. POAH said the project has been found “eligible” by the Community Preservation Committee and an “out of round” application will be submitted in October, asking for \$4 million. POAH is planning to apply in the state’s “pre-application” round in November, with the hope of being invited to participate in the full funding round over the winter 2024-25. POAH noted that even being invited into the funding round is highly competitive and that local funding is a significant factor.

The trustees and POAH discussed its \$400,000 pre-development funding request. Helen and Cliff asked if POAH was looking for a grant or loan; Cory said that it was requesting a grant directly to POAH, which would lend the funds to the project as soft debt. Helen asked about why \$400,000 (the figure was based on the project’s overall needs and POAH was “mindful” of the Trust’s limited resources) and whether the funding could be made in installments (needed now, but the most critical need is for a local commitment that would be important to the state during its funding process).

The Trustees said they wanted to hear the 1060 Belmont Street funding request before deciding on Willow Park. After that discussion (see below), the Trustees came back to POAH’s request. Trustees expressed strong support for the Willow Park project but concluded that it should be informally tabled until the next meeting for further discussion because the request would represent about 1/3 of the Trust’s remaining money.

IV. 1060 Belmont Street: urgent funding request (heating systems)

Caitlin Madden and Kristen Duffy/Metro West Collaborative made a presentation on the 1060 Belmont Street affordable housing development and the need for replacement of its three heating systems (heat and hot water). The presentation is attached. Metro West said the cost will be \$142,850 and that it is requesting \$100,000 from the Trust (remainder from Metro West itself).

Trustee questions included: if the replacement could be all-electric (this was considered but would require extensive work in the units and could not be done before winter); about the project’s refinancing plans (targeted for 2026, with a capital needs assessment completed before that); and whether there were other pressing capital needs (the property management firm says no). Mark Krackiewicz asked if the failed boiler could be replaced now, and the others delayed to allow for electric systems. Metro West said there was concern that another boiler might fail over the winter and a preference for minimizing the disruption to tenants (particularly from work within the units).

Jill moved to approve the \$100,000 request; the motion was seconded by Helen. The trustees were all supportive of Metro West's request but there was concern about its size, given the Trust's limited resources. The motion's proponents agreed to accept a "friendly" amendment to change the amount to \$87,500; the amended motion was unanimously approved.

IV. Other Business

None.

V. Executive Session

Cliff said there was no need for an executive session.

The meeting was adjourned unanimously at approximately 8:13 PM.

Affordable Housing Funds Potentially Available in 2024--by Source

Source		Source Notes
From City Budget	730,000	\$250K in last 3 budgets; minus expenses
AHDF	269,000	From in lieu developer payments
CDBG Program Income	113,000	From first-time homeowner repayments
Flexible total	1,112,000	
HOME 2024/25 Budget		110,585 could be spent with Action Plan amendment
HOME Program Income	174,000	From first-time homeowner repayments
HOME total	174,000	
Total	1,286,000	

*This chart approximates funds as of September 1, 2024

Potential Use Scenarios

For discussion purposes: options for spending strategy

			Option A		Option B		Option C	
Pre-development reserve			5%	55,600	12%	133,440	8%	88,960
Current Projects			75%	834,000	23%	255,760	50%	556,000
Future Projects			20%	222,400	65%	722,800	42%	467,040
				1,112,000		1,112,000		1,112,000

*All assume future refinancing and capital injections for existing properties can be funded with HOME funds

Rationales

Option A: Commit strongly to current projects

Option B: Reserve strongly for future project

Option C: Balance



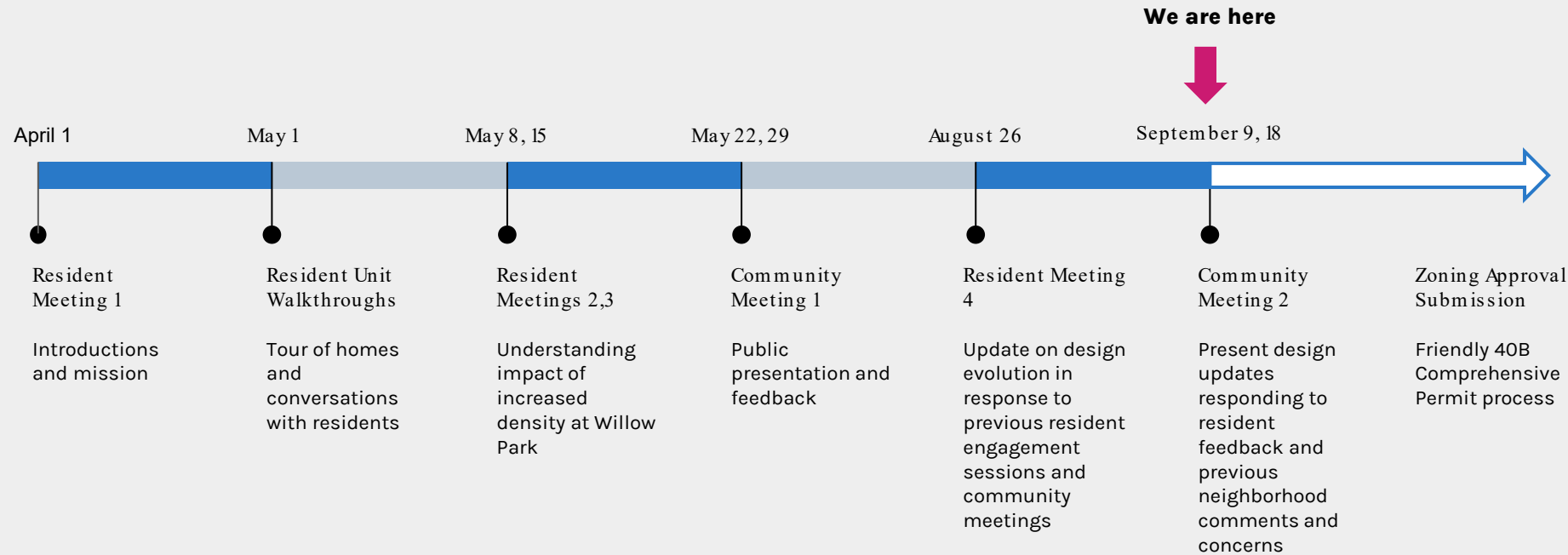
Willow Park *Redevelopment*

Watertown AHT Meeting | POAH & WHA | September 17, 2024

Willow Park Watertown AHT Meeting

- 01 Design and Programming
- 02 Funding
- 03 Project Timeline and Next Steps
- 04 Questions

Engagement Overview



Resident & Community Feedback

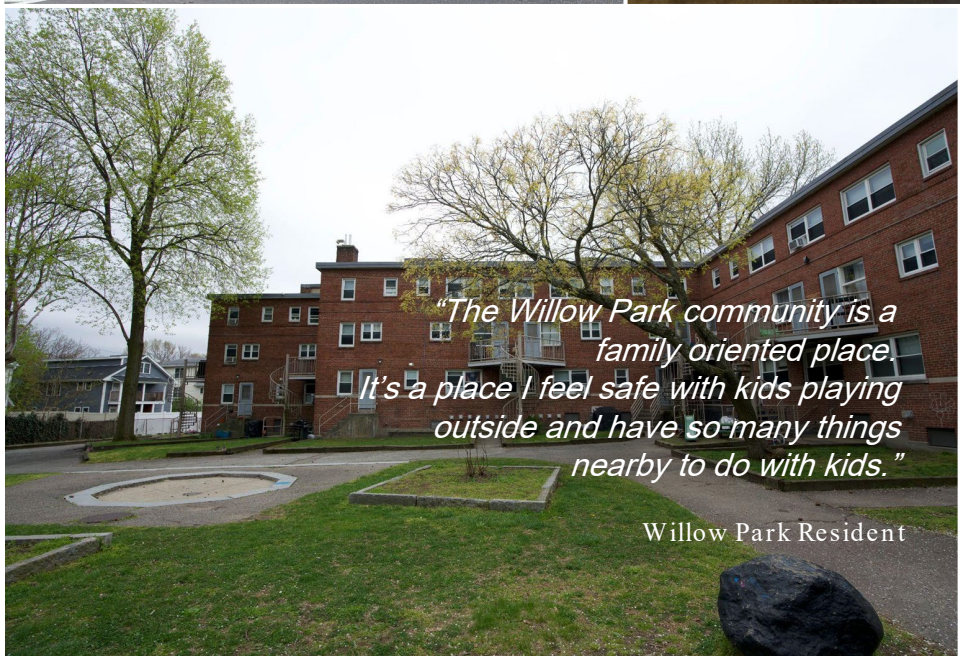
Willow Park's buildings are **outdated and lack accessibility**.

Families with children make up a large demographic of Willow Park. Larger family sized apartments are needed as a result.

Families at Willow Park feel safe and comfortable around their neighbors and value **outdoor space** for children to play.

Building height is an important consideration for the neighborhood and immediate abutters.

Parking spaces are at a premium and must be carefully considered.



"The Willow Park community is a family oriented place. It's a place I feel safe with kids playing outside and have so many things nearby to do with kids."

Willow Park Resident

Design Strategy



Current Design | site plan and programming

Surface Parking

Future Group Home

95-97 Nichols Ave Acquisition

Plaza

Shared outdoor space

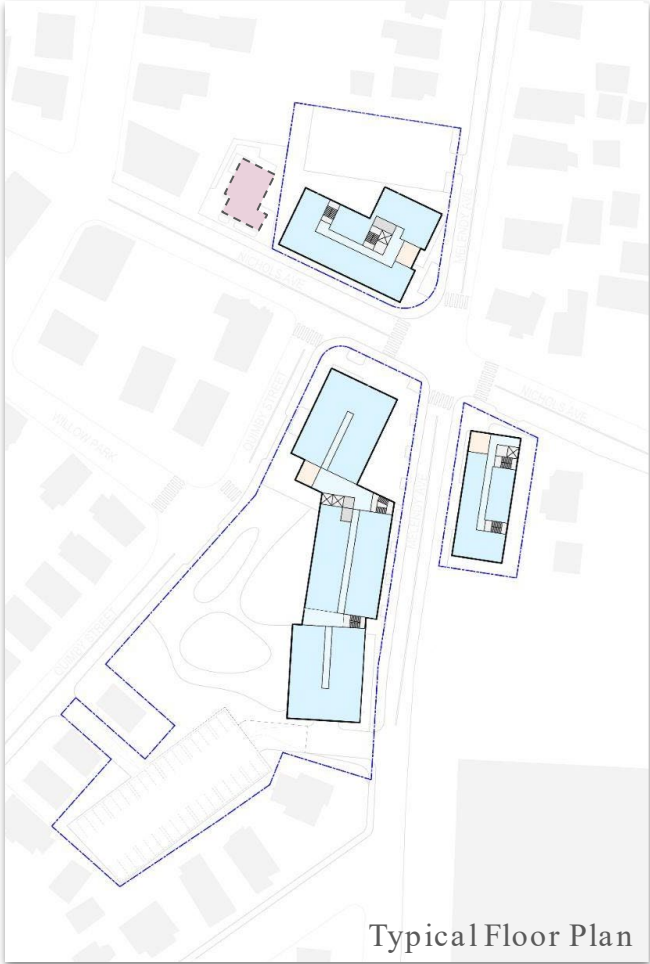
Covered Parking

Two-level parking deck



Site Plan

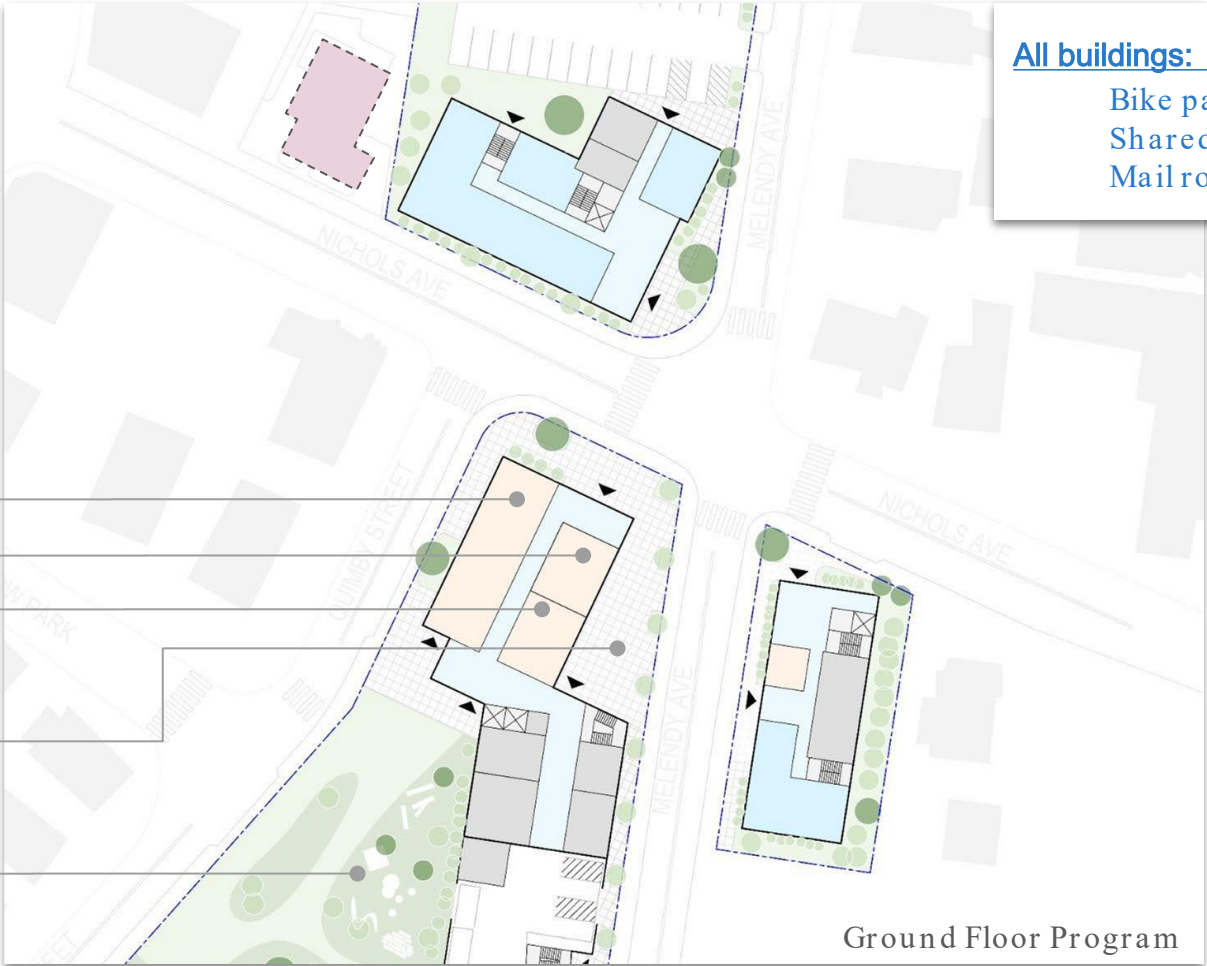
Current Design | floor plans



Current Design | enlarged ground floor plans

- Learning Center
- Offices
- Community room
- Plaza
- Shared outdoor space

All buildings:
Bike parking/storage
Shared laundry lounges
Mail rooms



Ground Floor Program

Programming Overview



community space
◀ and learning center

Offices for on -site
management team
and maintenance
▶

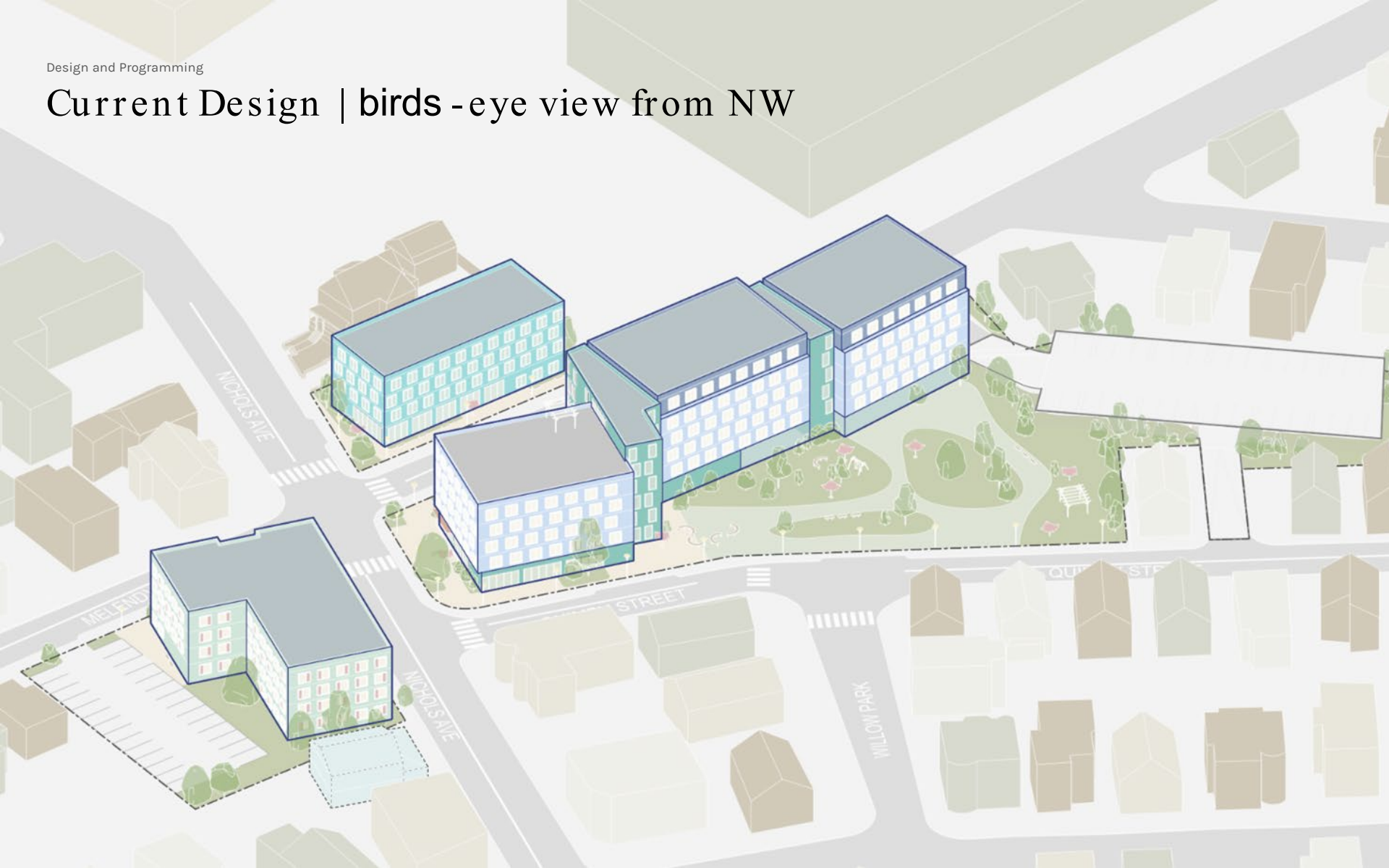


Development Totals

	Replacement Public Housing	New (Affordable; ≤80% AMI)	Total		Initial RFP Response
Studios	0	14	14 (10%)		13 (10%)
1-br	0	35	35 (25%)		31 (25%)
2-br	34	22	56 (41%)		56 (45%)
3-br	26	7	33 (24%)		25 (20%)
Total	60	78	138		125

Parking	111		69
Parking Ratio	0.80		0.55

Current Design | birds-eye view from NW



Design and Programming

Street View along Nichols Ave



Uses of Funds

	Pre-Development	Anticipated Total
Acquisition	\$TBD	\$TBD
Construction	\$150,000	\$69,935,622
Soft Costs	\$3,087,553	\$14,392,928
Reserves	\$0	\$1,333,153
Developer Fee & Overhead	\$0	\$5,106,238
Anticipated Total Uses	\$3,237,553	\$90,767,941

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Reserves	\$0
Developer Fee & Overhead	\$0
Anticipated Total Uses	\$3,237,553

Pre-Development Soft Costs:

- **A&E:** \$1,645,360
- **Permits:** \$333,027
- **Financing fees:** \$300,000
- **Relocation:** \$300,000
- **Environmental:** \$187,500
- **Legal:** \$150,000
- **Misc. due diligence:** \$105,000
- **Accounting & Title:** \$66,667

Sources of Funds

	Pre-Development	Anticipated Total
POAH LLC Pre-Dev	\$2,987,553	\$0
City of Watertown - AHT	\$400,000	\$400,000
City of Watertown - CPA	\$0	\$4,000,000
TE Bonds - MassHousing	\$0	\$21,876,146
PHIDP - EOHLC	\$0	\$15,840,276
Workforce - MassHousing	\$0	\$3,000,000
Energy Incentives	\$0	\$1,125,000
Equity - Federal 4% LIHTC	\$0	\$40,676,519
Equity - State LIHTC	\$0	\$3,850,000
Anticipated Total Sources	\$3,237,553	\$90,767,941

Next Steps

- **September 18, 6pm:** in-person Community Meeting, The Hosmer School
- **November:** file for zoning
- **Fall/Winter:** apply for funding
- **Continue to work with residents** through the whole process
- **Tonight:** Q&As



Thank you!

To stay up-to-date, please visit our website at
willowparkredevelopment.org or

Text: **WILLOW** to 8447642012
to join our list



Development Totals - Building Comparison

	Building A	Building B	Building C	Total
Apartments				
Initial RFP	80	25	20	125
Current Design	92	15	31	138
Floors				
Initial RFP	5	5	3	
Current Design	6/5	4	4	
Parking				
Initial RFP	61	0	8	69
Current Design	92	0	19	111



Watertown Affordable Housing Trust

September 17th, 2024

Metro West CD in Watertown

Affordable Housing Properties

St. Joseph's Hall

25-units

100% affordable (up to 60% AMI)

Senior Housing

Acquired /renovated in 2012



1060 Belmont

18-units

100% affordable (up to 60% AMI)

Family Housing

Acquired / renovated in 2010



28 Quimby

1-unit

100% affordable (80% AMI)

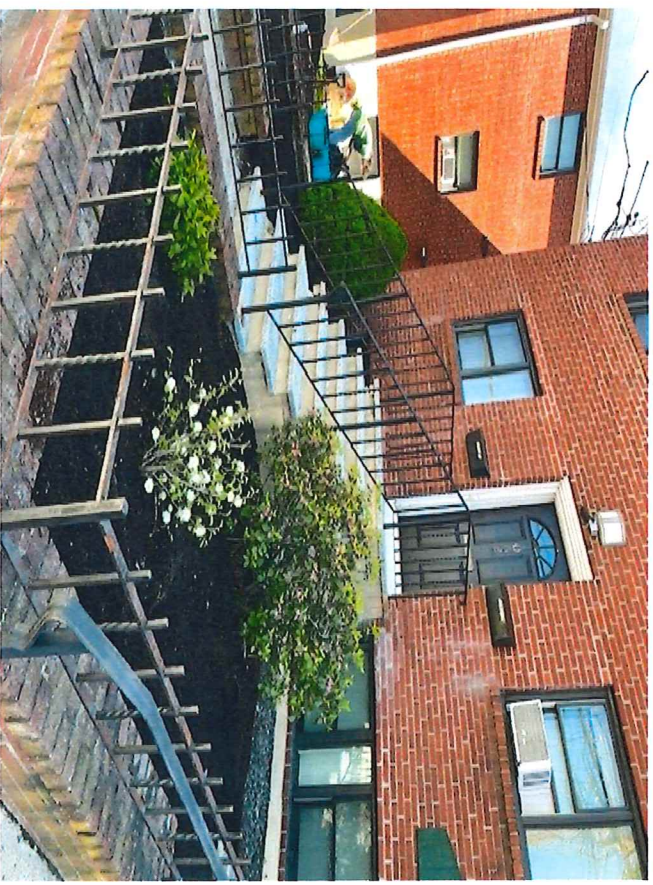
Condo / Homeownership

Acquired in 2009

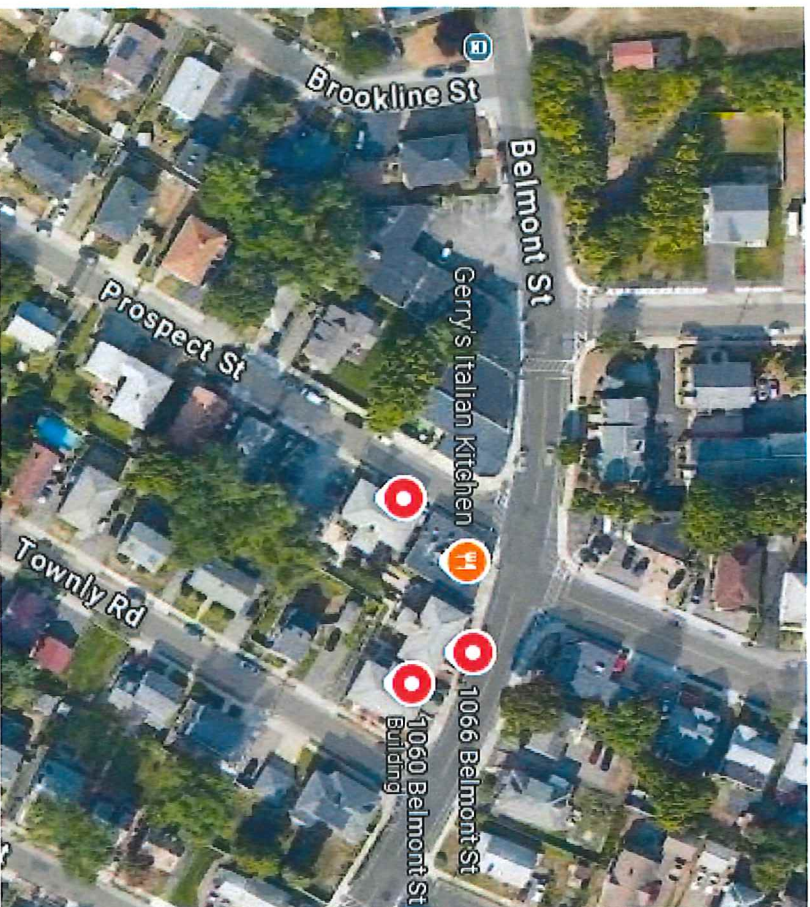


Spring 2024: 1060 Belmont – Watertown Helps Out Event

1060 Belmont Street - 2024 Community Event



1060 Belmont Street - Location



1060 Belmont Street is a three building, 18-unit affordable housing property that completed a moderate rehab in 2010

1060 Belmont Street - History

- **Moderate Rehab completed by then Watertown Community Housing in 2010** funded by a combination of conventional debt along with city and state funding, including the TC-X program in lieu of traditional LIHTC
- All 18-units are subject to **affordable housing restrictions** and must be occupied by a household earning **less than 60% AMI**. Two units further restricted to households earning less than 50% AMI and three units restricted to 30% AMI.
- **Professionally managed** by Maloney Properties
- Low rents, escalating operating expenses and extraordinary repairs over the years have reduced Property reserves to below Metro West CD's typical requirements

1060 Belmont Street - Current Status

- One of the three boilers that service the property experienced issues and was unable to be repaired due to necessary parts no longer being produced. **Immediate replacement was necessary.**
- **Current Action:** Replace all three boilers ahead of the heating season at a cost of \$142,850 and convert from oil to gas to allow for efficiencies and savings over time. Replacement will be complete in September.
- Metro West CD provides resident services to all residents of 1060 Belmont and is not currently charging the property for these services
- Property has operated on very thin margins or at a cash deficit over recent years

1060 Belmont– Metro West CD Support

- Deferral of annual Asset Management
- Resident Services at no charge to the property
- Operating Advances through 2023
- 50% deposit for boiler replacement in June 2024

1060 Belmont– Proposed Sources and Uses

USES

Boiler Replacement	\$ 142,850	Contract cost to replace all three boilers and convert to natural gas
Total	\$ 142,850	

SOURCES

WAHT funds	\$ 100,000
MWCD Advance	\$ 42,850
Total	\$ 142,850

1060 Belmont Street – Future Goals

- Metro West CD is in the very early stages of exploring refinancing options that would allow for the renovation and preservation of these 18 units affordable housing. Earliest potential start date is late 2026.
- A Capital Needs Assessment will be engaged at Metro West CD's cost in 2024 to determine the scope of a moderate to substantial rehab of the property
- Metro West CD expects to continue to defer its annual asset management fee and provide resident services at no cost to the property until such time as property cash flow supports payment