



EARL L. SMITH, CHAIR
RICHARD V. MOYNIHAN
KATHLEEN COLLEARY

TOWN OF WATERTOWN
BOARD OF ASSESSORS
Administration Building
149 Main Street
Watertown, Massachusetts 02472-4410

TELEPHONE (617) 972-6410
FAX (617) 972-6497

MINUTES OF WATERTOWN BOARD OF ASSESSORS
MEETING MINUTES
APRIL 20, 2021

On April 20, 2021, the Watertown Board of Assessors had a scheduled meeting via Zoom at 9:30 A.M. (not recorded)

Meeting called into session at 9:35 A.M. by Chair Earl L. Smith, present for the meeting were Kathleen Colleary, Board Member, Richard V. Moynihan, Board Member, Earl L. Smith, Chairman and Cassandra Bosworth, Principal Assessor Clerk – scribe.

Roll Call

Richard V. Moynihan – Present
Kathleen Colleary – Present
Earl L. Smith – Present

March 30, 2021 Meeting Minutes

The Board reviewed the Meeting minutes from March 30, 2021. Kathleen made a motion to approve March 30, 2021 Minutes. Richard seconded motion. Board voted to accept meeting minutes of March 20, 2021.

Roll Call

Richard V. Moynihan – Yes
Kathleen Colleary – Yes
Earl L. Smith – Yes

Watertown Housing Authority Conversion Discussion (PILOT, Chapter 59)

Discussion followed on the issues surrounding the Housing Authority Conversion, issue being the LLC that would own and manage and how that plays out in that the LLC is a taxable entity and Housing Authorities are exempt by statute. Conclusion – to further investigate, check with BLA for Cambridge opinion, and investigate time frame. Discussion will be revisited in next meeting.

Discussion on Personal Property Audits

Chair presented the possibility of hiring the person that worked on the Athena Audit for the Personal Property Audit. Timeline and budget discussion followed.

Old Business – New Business

No discussion.

Scheduling Next Board Meeting

Chair proposed Tuesday, May 25th at 9:30 A.M. location to be decided – 3rd floor conference room or zoom.

Chair motioned to move into EXECUTIVE SESSION - PUBLIC MEETING WILL NOT RECONVENE

A. Abatement applications are confidential under G.L. c. 59, § 60, convening in executive session under purpose 7 to comply with, or act under the authority of, that general law regarding Abatement Applications. Review and vote on abatement application numbers: 7, 11, 21, 23, 24, 25, 26, 33, 37, 42, 44, 48.

B. Citing a strategy to discuss open Appellate Tax Board litigation that an open meeting may have a detrimental effect on the bargaining or litigating position of the public body. Vote on pending settlement(s) 1. Bridge Street Owner LLC v Board of Assessors, 2.71 Arlington Street Trust v. Board of Assessors, 3. Possible pending settlement VIP Tire and Service v. Board of Assessors. Review of open litigation.

Kathleen so moved to end the current meeting and move into Executive Session. Richard seconded the motion.

Roll Call

Richard V. Moynihan – Yes

Kathleen Colleary – Yes

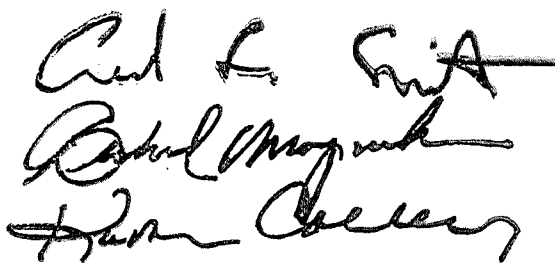
Earl L. Smith – Yes

Regular Meeting Adjourned at 10:02 A.M.

Meeting Documents:

- Board of Assessor Minutes March 30, 2021
- Watertown Housing Authority – HUD-52481 Document December 1969
- Email communication between Earl Smith and Michael Lara – dated Thursday April 8, 2021 regarding Watertown Housing and 100 Warren St.

Approved May 25, 2021

Three handwritten signatures are stacked vertically. The top signature is 'Earl L. Smith', the middle is 'Richard V. Moynihan', and the bottom is 'Kathleen Colleary'.

Smith, Earl

From: Smith, Earl
Sent: Friday, April 9, 2021 9:14 AM
To: 'Michael Lara'
Subject: RE: 100 Warren St. - Federal Public Housing Conversion and PILOT

Mr. Lara,

Thanks for information. I appreciate the offer on the formal presentation and will discuss with the Board of Assessors. I understand what is being done, this office is overseen by the Department of Revenue and for tax rates to be certified, we need to be compliant with all Massachusetts statutes. I have made inquiry as to the lease, LLC status and what the Board of Assessors is legally empowered as far as PILOT versus Chapter 59 taxation. Once I have guidance and discuss with the Board of Assessors (next meeting April 20), I will be in touch.

Thank you for your time in this matter,

Earl L. Smith
Chair, Board of Assessors
149 Main Street
Watertown, MA 02472

617-972-6410

From: Michael Lara <MLara@watertownha.org>
Sent: Thursday, April 8, 2021 6:24 PM
To: Smith, Earl <esmith@watertown-ma.gov>
Subject: RE: 100 Warren St. - Federal Public Housing Conversion and PILOT

Mr. Smith,

Thank you for sending the latest assessment for 100 Warren St.

The property currently follows [HUD regulations](#) for the cooperation agreement between WHA and the Town of Watertown. After the "conversion", residents of the 50 units will see no change to income (or deductions). Based on previous trends, we do not foresee a substantial change to our utility costs at the building. .

It would be greatly appreciated if you could provide insight into whether the 99-year lease to the LLC (for both the land and the building) qualifies WHA for PILOT because the conversion is being done to ensure long-term affordability of a building with high capital needs and minimal capital/operating funding. Attached is the planned ownership structure of the WHA, its non-profit instrumentality, and LLC. The transaction will be for nominal consideration and an additional \$1/year for each year of the 99-year lease.

WHA can provide a detailed summary of the program and present the information to you formally. I'd politely request that our counsel from Klein Hornig LLP join that meeting/Zoom to assist in explaining the transactional component of the Section 18 program. Please feel free to call me about additional information or to discuss this topic prior to any formal meeting.

Thank you again for your time and consideration.

Michael Lara
Executive Director

O: (617) 923-3950
F: (617) 923-2466
www.watertownha.org



From: Smith, Earl <esmith@watertown-ma.gov>
Sent: Wednesday, April 7, 2021 10:09 AM
To: Michael Lara <MLara@watertownha.org>
Subject: RE: 100 Warren St. - Federal Public Housing Conversion and PILOT

Mr. Lara,

Thanks for the information. Attached is the property record card for 100 Warren Street. The latest assessment (Fiscal Year 2021) was \$17,648,800 for the 122 units.

Hope this helps,

Earl L. Smith
Chair, Board of Assessors
149 Main Street
Watertown, MA 02472

617-972-6410

From: Michael Lara <MLara@watertownha.org>
Sent: Wednesday, April 7, 2021 9:57 AM
To: Smith, Earl <esmith@watertown-ma.gov>
Subject: 100 Warren St. - Federal Public Housing Conversion and PILOT

Mr. Smith,

Pleasure speaking with you. Per our conversation yesterday, please see attached. The chart shows the general relationship of the three Housing Authority entities. The 99-year ground lease between the LLC and Housing Authority ensures the property will remain affordable throughout its lifespan. The bylaws and articles of organization of the non-profit 501(c)(3) are drafted and pending approval from the WHA Board of Commissioners. The five Commissioners will act as the five Directors of the non-profit, and I as the clerk of the non-profit, because the entity is an instrumentality of the Housing Authority. Please note, this "mirror board" and LLC organizational structure is encouraged by HUD.

WHA is eligible for a subsection of Section 18 of the U.S. Housing Act of 1937. The program allows the Authority to convert 50 public housing units to 50 Sec. 8 vouchers. Section 18 is not a RAD, or a voluntary conversion program. Essentially, HUD is incentivizing very small PHAs to convert from public housing (which provides limited operating and capital funding) to Section 8 vouchers (a program that has seen a massive increase to their federal budget line item over the last 10 years).

We would need to submit the most recent tax assessment of the property (all 122 units or specifically the 50 federal units, either is sufficient) by the May board meeting held on May 11th, 2021. Please let me know what I can do to assist with this process.

Lastly, I had mentioned that current industry standard continues the PILOT agreement when these conversions occur. I will send you an email tomorrow with further detail on our current cooperation agreement between the Town and the legal precedent to add "WHA and affiliates" to the PILOT agreement. Feel free to call my work cell if you'd like to discuss further.

Thank you very much for your time and consideration.

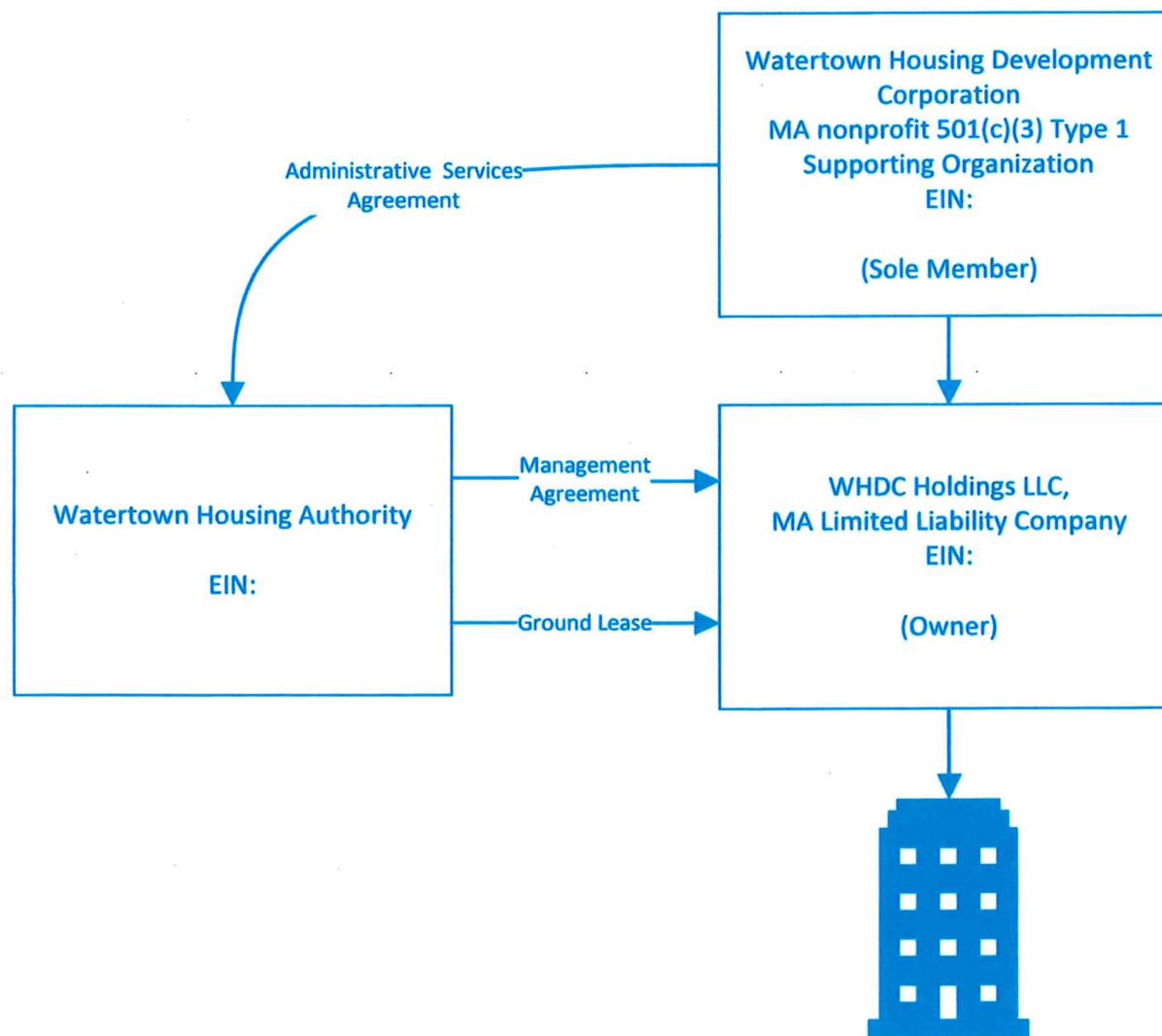
Michael Lara
Executive Director

O: (617) 923-3950
C: (781) 382-5332
www.watertownha.org



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Watertown Housing – E.Joyce Munger Apartments



Article III

PROVISIONS COMMON TO DEVELOPMENT AND OPERATION

Sec. 301. Compliance with Cooperation Agreement and Payments in Lieu of Taxes

(A) During the development and operation of the Projects the Local Authority shall perform and comply with all applicable provisions of the Cooperation Agreement, including the making of payments in lieu of taxes as provided therein, shall at all times retain, preserve, and enforce its rights thereunder, and shall not terminate, amend, or modify the same in any manner, except with the approval of the Government.

(B) The Local Authority shall not, without the approval of the Government, make or agree to make any payments in lieu of taxes in excess of those provided in the Cooperation Agreement.

(C) The Local Authority shall include in its annual reports a statement of the amounts of payments in lieu of taxes made with respect to each Project for the Fiscal Year or other twelve-month period for which such payments were made next preceding the date of each such annual report, together with a statement of the amount of taxes which would have been levied against such Project for such period if it were privately owned.

Sec. 302. Equivalent Elimination Requirement

If, under the provisions of the Cooperation Agreement, elimination of unsafe or insanitary dwellings is required with respect to any Project, the Local Authority shall obtain from the local governing body of the locality in which the Project is situated a certificate, in a form as prescribed by the Government, as to compliance with such requirement.

Sec. 303. Domestic and Foreign Materials and Ineligible Contractors

(A) Each contract entered into by the Local Authority in connection with the construction, alteration, or repair of any Project shall require that there shall be used, and the Local Authority shall itself use, in the construction, alteration, and repair of any Project only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States. The Government reserves the right, upon request of the Local Authority, to waive the foregoing restrictions if the Government determines that the use of domestic articles, materials, or supplies is impracticable, or that the cost thereof as determined by the Government is unreasonable.



Watertown Town Council

Administration Building
149 Main Street
Watertown, MA 02472
Phone: 617-972-6470

ELECTED OFFICIALS:

April 6, 2021

Mark S. Sideris,
Council President

Vincent J. Piccirilli, Jr.,
Vice President &
District C Councilor

Caroline Bays
Councilor At Large

Anthony J. Donato,
Councilor At Large

John G. Gannon,
Councilor At Large

Anthony Palomba,
Councilor At Large

Angeline B. Kounelis,
District A Councilor

Lisa J. Feltner,
District B Councilor

Kenneth M. Woodland,
District D Councilor

Watertown Housing Authority
Board of Commissioners
55 Waverley Avenue
Watertown, Massachusetts 02472-3613

RE: Letter of Support for Watertown Housing Authority's Section 18 Proposal
Dear Board of Commissioners,

It is with great enthusiasm that the Watertown Town Council offers their support to the Watertown Housing Authority to convert 50 federal public housing units to 50 Sec. 8 project-based vouchers via the Section 18 program.

On December 22, 2020, the Watertown Town Council Committee on State, Federal and Regional Government heard the Section 18 disposition proposal from Watertown Housing Authority Executive Director, Michael Lara. Mr. Lara explained that Section 18 disposition would convert 50 federal public housing units located at 100 Warren Street in Watertown, to 50 project-based vouchers and would not require displacing and relocating current residents from their units. The Committee agreed that this proposal will provide additional funding streams to enable increased resident services, preservation and construction of affordable units and give flexibility to take advantage of other potential construction opportunities. The Committee voted unanimously in support of the program.

On January 26, 2021, the Watertown Town Council reviewed the Committee's report and Councilor Piccirilli moved to authorize the submission of a letter of support for the Watertown Housing Authority's plan to convert 50 public housing units at the E. Joyce Munger Building located at 100 Warren St. The Town Council understands that the Housing Authority is forming a non-profit instrumentality to maintain control of the 50 units and ensure the long-term affordability of the units. The motion was adopted unanimously on a roll call vote.

Sincerely,

Mark S. Sideris
Town Council President

cc: Honorable Town Council
Michael Lara, Executive Director, Watertown Housing Authority
Michael J. Driscoll, Town Manager
Watertown Housing Partnership
Department Heads
Community Development and Planning
Mark R. Reich, Esquire KP Law

792
Form HUD-52481. This form has been prepared by the Department of Housing and Urban Development for use by a Local Authority as a guide in drafting agreements providing for local cooperation, as required by the Housing Act of 1937, and by regulations of the Department.

Page 1
December 1969

COOPERATION AGREEMENT

This Agreement entered into this 12th day of February, 1979, by and between Watertown Housing Authority (herein called the "Local Authority") and the Town of Watertown (herein called the "Municipality") witnesseth:

In consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this Agreement:

(a) The term "Project" shall mean any low-rent housing hereafter developed or acquired by the Local Authority with financial assistance of the United States of America acting through the Secretary of Housing and Urban Development (herein called the "Government"); excluding, however, any low-rent housing project covered by any contract for loans and annual contributions entered into between the Local Authority and the Government, or its predecessor agencies, prior to the date of this Agreement.

(b) The term "Taxing Body" shall mean the State or any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation.

(c) The term "Shelter Rent" shall mean the total of all charges to all tenants of a Project for dwelling rents and nondwelling rents (excluding all other income of such Project), less the cost to the Local Authority of all dwelling and nondwelling utilities.

(d) The term "Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

2. The Local Authority shall endeavor (a) to secure a contract or contracts with the Government for loans and annual contribution covering one or more projects comprising approximately 75 units of low-rent housing and (b) to develop or acquire and administer such Project or Projects, each of which shall be located within the corporate limits of the Municipality. The obligations of the parties hereto shall apply to each such Project.

3. (a) Under the constitution and statutes of the Commonwealth of Massachusetts, all Projects are exempt from all real and personal property taxes and special assessments levied or imposed by any Taxing Body. With respect to any Project, so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality agrees that it will not levy or impose any real or personal property taxes or special assessments upon such Project or upon the Local Authority with respect thereto. During such period, the Local Authority shall make annual payments

(herein called "Payments in Lieu of Taxes") in lieu of such taxes and special assessments and in payment for the Public services and facilities furnished from time to time without other cost or charge for or with respect to such Project.

(b) Each such annual Payment in Lieu of Taxes shall be made after the end of the fiscal year established for such Project, and shall be in an amount equal to either (i) ten percent (10%) of the Shelter Rent actually collected but in no event to exceed ten percent (10%) of the Shelter Rent charged by the Local Authority in respect to such Project during such fiscal year, or (ii) the amount permitted to be paid by applicable State law in effect on the date such payment is made, whichever amount is the lower.

(c) No payment for any year shall be made to the Municipality in excess of the amount of the real property taxes which would have been paid to the Municipality for such year if the Project were not exempt from taxation.

(d) Upon failure of the Local Authority to make any Payment in Lieu of Taxes, no lien against any Project or assets of the Local Authority shall attach, nor shall any interest or penalties accrue or attach on account thereof.

4. The Municipality agrees that, subsequent to the date of initiation (as defined in the United States Housing Act of 1937) of each Project and within five years after the completion thereof, or such further period as may be approved by the Government there has been or will be elimination, as certified by the Municipality, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area in which such Project is located, substantially equal in number to the number of newly constructed dwelling units provided by such Project; Provided, That, where more than one family is living in an unsafe or insanitary dwelling unit, the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein; and Provided, further, That this paragraph 4 shall not apply in the case of (i) any Project developed on the site of a Slum cleared subsequent to July 15, 1949, and that the dwelling units eliminated by the clearance of the site of such Project shall not be counted as elimination for any other Project or any other low-rent housing project, or (ii) any Project located in a rural nonfarm or Indian area.

5. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality without cost or charge to the Local Authority or the tenants of such Project (other than the Payments in Lieu of Taxes) shall:

(a) Furnish or cause to be furnished to the Local Authority and the tenants of such Project public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the Municipality;

(b) Vacate such streets, roads and alleys within the area of such Project as may be necessary in the development thereof, and convey without charge to the Local

Authority such interest as the Municipality may have in such vacated areas; and, in so far as it is lawfully able to do so without cost or expense to the Local Authority or to the Municipality, cause to be removed from such vacated areas, in so far as it may be necessary, all public or private utility lines and equipment;

(c) In so far as the Municipality may lawfully do so, (i) grant such deviations from the building code of the Municipality as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project, and at the same time safeguard health and safety, and (ii) make such changes in any zoning of the site and surrounding territory of such Project as are reasonable and necessary for the development and protection of such Project and the surrounding territory;

(d) Accept grants of easements necessary for the development of such Project; and

(e) Cooperate with the Local Authority by such other lawful action or ways as the Municipality and the Local Authority may find necessary in connection with the development and administration of such Project.

6. In respect to any Project the Municipality further agrees that within a reasonable time after receipt of a written request therefore from the Local Authority:

(a) It will accept the dedication of all interior streets, roads, alleys, and adjacent sidewalks within the area of such Project, together with all storm and sanitary sewer mains in such dedicated areas, after the Local Authority, at its own expense, has completed the grading, improvement, paving, and installation thereof in accordance with specifications acceptable to the Municipality;

(b) It will accept necessary dedications of land for, and will grade, improve, pave, and provide sidewalks for, all streets bounding such Projects or necessary to provide adequate access thereto (in consideration whereof the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned); and

(c) It will provide, or cause to be provided, water mains, and storm and sanitary sewer mains, leading to such Project and serving the bounding streets thereof (in consideration whereof the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned).

7. If by reason of the Municipality's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or to cause to be furnished to the Local Authority or to the tenants of any Project, the Local Authority incurs any expense to obtain such services or facilities then the Local Authority may deduct the amount of such expense from any Payments in Lieu of Taxes due or to become due to the Municipality in respect to any Project or any other low-rent housing projects owned or operated by the Local Authority.

8. No Cooperation Agreement heretofore entered into between the Municipality and the Local Authority shall be construed to apply to

any Project covered by this Agreement.

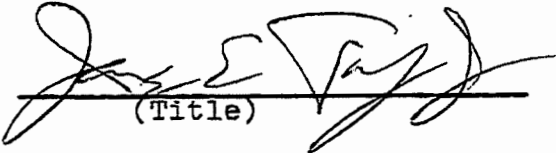
9. No member of the governing body of the Municipality or any other public official of the Municipality who exercises any responsibilities or functions with respect to any Project during his tenure or for one year thereafter shall have any interest, direct or indirect, in any Project or any property included or planned to be included in any project, or any contracts in connection with such Projects or property. If any such governing body member or such other public official of the Municipality involuntarily acquires or had acquired prior to the beginning of his tenure any such interest, he shall immediately disclose such interest to the Local Authority.

10. So long as any contract between the Local Authority and the Government for loans (including preliminary loans) or annual contributions, or both, in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any Project or any monies due to the Government in connection with any Project remain unpaid, this Agreement shall not be abrogated, changed, or modified without the consent of the Government. The privileges and obligations of the Municipality hereunder shall remain in full force and effect with respect to each Project so long as the beneficial title to such Project is held by the Local Authority or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of low-rent housing projects. If at any time the beneficial title to, or possession of, any Project is held by such other public body or governmental agency, including the Government, the provisions hereof shall inure to the benefit of and may be enforced by, such other public body or governmental agency, including the Government.

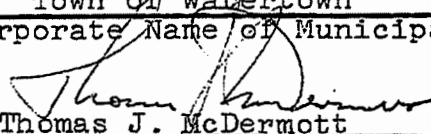
IN WITNESS WHEREOF the Municipality and the Local Authority have respectively signed this Agreement and caused their seals to be affixed and attested as of this day and year first above written.

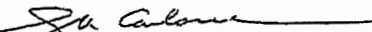
(SEAL)

Attest:


(Title)

Town of Watertown
(Corporate Name of Municipality)

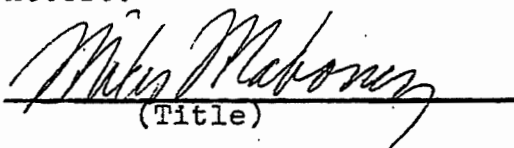
By 
Thomas J. McDermott
Chairman, Board of Selectmen

By 

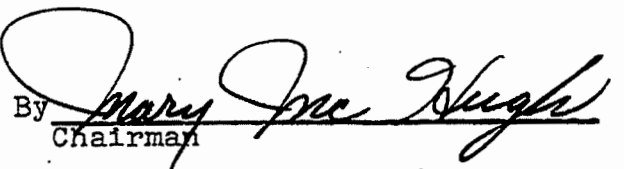
By 
Board of Selectmen

(SEAL)

Attest:


(Title)

Watertown Housing Authority
(Corporate Name of Local Authority)

By 
Chairman