Minutes
Housing Partnership
Special Meeting
July 9, 2018
Town Administration Building

Members In Attendance
Fred Reynolds (Chair), Cliff Cook, Brian Costello (Housing Authority), Helen Oliver, and Andrea Adams (Senior Planner, Department of Community Development & Planning (DCDP))

Others in Attendance: Abhi Bhakta and Arjundev Bhakta (Owners, 100 North Beacon Street), Tim Barlow (Construction Manager, 124 Watertown Street), P.L. Hingorani (Owner, 124 Watertown Street), Attorney Morris Mason, Jennifer Van Campen (Executive Director, MetroWest Collaborative Development), Curtis Whitney and Councilor Tony Palomba (came late)

I. Review of Draft Minutes: June, 2018

Ms. Adams noted she had received text corrections from Ms. Oliver and Mr. Reynolds. Mr. Reynolds asked for a motion to approve the Minutes of the June meeting, as amended. Ms. Oliver moved to approve the draft Minutes as amended. Mr. Cook seconded, and the Minutes were unanimously approved.

II. Continued Discussion of Independent/Assisted Living – Proposed Changes to the Zoning Ordinance

Ms. Adams distributed color copies of the proposed draft Text Amendment with changes based on a discussion with Mr. Schreiber and Mr. Magoon of the version approved by the Housing Partnership at the June meeting. Ms. Adams also summarized the Housing Partnership's discussion of an affordable contribution by Continuum of Care facilities.

Mr. Whitney, noting an Email sent to Ms. Adams by Mr. Hassan, President, Grand Senior Living, suggested the Zoning should include a "failsafe" provision such that if a particular facility was unable to achieve the required subsidies, it would be released from having to provide from an affordable housing contribution.

Mr. Cook noted that one of the goals of the Housing Partnership's work on Inclusionary Zoning in general and this issue in particular is to reach the 10% requirement stipulated by Chapter 40(B) of Massachusetts' General Laws. He strongly suggested that a facility developer or operator would understand that one or more subsidies were needed to make the financials for an affordable Assisted Living unit work. He also suggested that the DCDP staff could provide technical guidance on these particular issues.

Mr. Reynolds suggested that it may be possible to utilize Community Preservation Act (CPA) funds to potentially support affordable units.

Mr. Cook suggested the proposed Zoning Text Amendment set a relatively "low bar" in terms of an onsite affordable housing contribution for Assisted Living facilities relative to apartment projects. He said Assisted Living facilities should make an affordable housing contribution. He noted that a facility could set up a system where renters would start out as self-pay and convert to a subsidy unit. He said this was a common practice with other subsidized housing.

Mr. Reynolds asked for any other comments or corrections on the draft Text Amendment. Hearing none, he asked for a motion.

Mr. Cook moved that the Housing Partnership recommend to the Town Council adoption of a draft Text Amendment to Section 5.07 of Watertown Zoning Ordinance as discussed by the Housing Partnership at tonight's meeting.

III. Waltham's Security Deposit Program

Ms. Adams distributed a Memo on Waltham's Security Deposit program. She noted that this was a municipal program, separate and distinct from Waltham's Housing Authority's Section 8 voucher program. Ms. Adams noted that Mr. John Shirley, the Waltham's Housing Specialist, had indicated that he would be happy to meet with the Housing Partnership in person.

Ms. Van Campen noted that Waltham's Security Deposit program was also in addition to Waltham's Tenant Based Rental Assistance (TBRA) program, which is a HOME program. She said there are other models of how to provide additional rental subsidies. She noted that Concord, MA and Sudbury, MA link their TBRA program to units that are classified as "affordable" per the Towns' Inclusionary Zoning. Ms. Van Campen said another model was used by Boxboro which has the Community Preservation Act (CPA) and a TBRA. She said Boxboro directs its funds via the Town's Social Worker. Ms. Van Campen said this is all without discussion of the political choices a municipality must make to set up such a program, and to formulate the structure of the program in terms of the target population, the amount of funds to allocate to the program, and how much assistance to offer (i.e. security deposit only, or first/last/security or something else).

Mr. Reynolds said key questions were who is the Town trying to help? Is it Mr. Costello's clientele?

Mr. Cook agreed, in that it would have to be a comprehensive program, with long-term funding, as a program that was in place for only a few years would have limited impact, and also cause difficulties for the population it was seeking to serve.

Ms. Van Campen noted that the rents in Waltham's program were relatively low compared to the market, so to function, such a program would have to tie to already designated affordable units created through Watertown's Inclusionary Zoning. She noted a secondary benefit was that the tenants would already be vetted and income-qualified.

The Housing Partnership's consensus was that DCDP staff should invite Mr. Shirley to make a presentation to the Partnership on Waltham's program at the Partnership's September 2018 meeting.

IV. Discussion of Ways to Support Potential Affordable Housing Projects by MetroWest Collaborative Development

Ms. Van Campen described how MetroWest Collaborative Development (MWCD) had historically created affordable housing. She noted that as a Community Housing Development Organization (CHDO), MWCD was entitled to a part of the HOME Consortium's dedicated funding. In addition, communities in the HOME Consortium had been able to "save up" their HOME allocations for affordable housing projects. She said this was in part how the last HOME project in Watertown, Saint Joseph Hall, was completed. Ms. Van Campen noted this changed at the Federal level, after 2013. A new Federal rule in the HOME program no longer allows Consortium communities to "bank" HOME funds. This means that the amount of funds available for projects in any given year in Watertown, and overall is much less. In addition, Ms. Van Campen noted that land costs and home prices in Watertown and the urban area around Boston have gone steadily upwards since the end of the Great Recession. Both of these factors have made it more difficult for CHDOs to assemble the funds or property needed to create affordable housing projects in the urban area around Boston. Ms. Van Campen further noted that Watertown does not have much undeveloped land left that is available to be developed, nor does it have a large portfolio of municipally owned land that is available or suitable for affordable housing development. This is in part way MWCD has had success in recent years in developing affordable housing projects further West. The raw land costs and construction costs are generally lower than what they would be in Watertown, making the scarcer Federal HOME dollars go further.

Ms. Van Campen said that municipalities can still assist in the creation of affordable housing (in addition to Inclusionary Zoning) by specifically offering municipal land or municipally-owned buildings specifically for affordable housing. She said this means the municipality, upon issuing the Request for Proposals specifically makes affordable housing development the primary use of the property that is the subject of the RFP. She also said some municipalities have used the Comprehensive Permit Process (Chapter 40B) to create affordable housing. This is called “a friendly 40B” where the Town partners with a CHDO or other entity to develop affordable housing under the Chapter 40B process.

Mr. Reynolds noted Watertown still owns the former library at the corner of Waverley Avenue and Orchard Street.

Ms. Van Campen said she had met with Mr. Magoon, the DCDP Director and Assistant Town Manager, to discuss preliminary ideas for an affordable housing project on the site. She distributed a preliminary proforma on a 12-unit project on the site for senior housing. She cautioned that her potential library proposal was NOT based on a walk-through or site visit, not an architect’s review.

Mr. Cook asked why the choice was for senior housing?

Ms. Van Campen said there was a synergy between this location and other nearby locations, such as Saint Joseph Hall and 100 Warren Street, where there could be an opportunity to share services. Also, from a funding perspective, the Department of Housing and Community Development (DHCD) has specific monies available to create affordable housing for either developmentally-disabled individuals (FCF funds), or for seniors who cannot be discharged from nursing/rehab to their homes (CBH funds).

Council Member Palomba asked how the draft proforma would change if the funding form DHCD was excluded?

Ms. Van Campen said other than needed a source of funds to replace those, the proforma would not change much.

Council Member Palomba noted that the State Legislature was in the process of debating changes to the Community Preservation Act. He noted that if enacted, there would be a higher State match amount. He also noted that the Act requires a certain percentage of the CPA funds to be “earmarked” for affordable housing.

Ms. Van Campen agreed, noting that one of the other ways to advance the development of affordable housing (Inclusionary Zoning notwithstanding) would be for the CPA Committee to commit a yearly amount of CPA funds "to the care and custody of" the Housing Partnership. This would allow the Partnership to have "seed" money, to fund potential projects.

Mr. Cook asked approximately how much "seed" money would be needed?

Ms. Van Campen said that the general rule of thumb was a minimum of $1.0 million. She noted that Belmont, MA had just provided its analog to Watertown's Housing Partnership with $250,000 in "seed" money, which wasn't enough, but was a start.

Council Member Palomba suggested that Ms. Van Campen also look at acquisition of the property immediately behind the old library building, as he suggested that it might be on the market.

Mr. Costello also noted that the zoning may allow for the building to be lifted, or for a reconstruction/renovation to add height. Doing any of these actions would change the proforma, including the onsite parking and the potential number of units.

Ms. Van Campen agreed, noting any of these would also add cost to the project. She also noted the draft proforma set the first level of affordability at 60% Area Median Income. She also noted that in order to secure funding from DHCD, MWCD would have to show definitive site control of the parcel(s).

Council Member Palomba asked what the theoretical time line for such a project would be?

Ms. Van Campen said the Town would have to issue an RFP with a strong desire/intent for the site to be affordable housing. Then, MWCD (or another entity) would have to win the bid. Next would be the financing and underwriting, which could take 12-18 months. To start the financing process, MWCD or any other entity would need to show definitive site control.

Adjourn
Noting the lateness of the hour, Mr. Reynolds asked for a motion to adjourn the meeting.

Mr. Cook moved to adjourn the meeting, and Ms. Oliver seconded the motion, which was unanimously approved. Meeting adjourned at 8:05 PM.