Watertown Housing Partnership
Meeting Minutes
Special Meeting
August 30, 2017
Watertown Administration Building

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

Others in Attendance: Tony Palomba, Councilor at Large

I. Review of Draft Minutes: April and Special May, 2017

Mr. Reynolds asked for a motion on the April 2017 meeting Minutes. Mr. Leon moved to approve the draft Minutes as presented. Mr. Cook seconded, and the Minutes were unanimously approved.

Mr. Reynolds asked for a motion to approve the Minutes of the Special May 2017 meeting. Mr. Leon noted a correction: the word "expend" was used incorrectly in a sentence, and should be changed to the word "expand." Mr. Costello moved to approve the draft Minutes as corrected. Ms. Oliver seconded, and the Minutes as corrected were unanimously approved.

II. Boylston Properties: Building F, Phase 3, Arsenal Yards: Affordable Housing Review

Mr. Jeffrey Heidelberg, representing Boylston Properties, along with Laura Portney and Robert Leyen of Prellwitz Chilinski Associates, made a presentation to the Housing Partnership of Phase 3 of the redevelopment of the former Arsenal Mall, now known as Arsenal Yards. He used a PowerPoint slide show and a set of colored site plans to describe the project to the Housing Partnership. He described the overall Master Plan concept, the various proposed buildings, and the redevelopment phases that had already been approved. He said the Petitioner was before the Housing Partnership for its formal review of compliance with Watertown's Inclusionary Zoning for Phase 3, which was the development of a new mixed-use seven story building, Building F. He provided architectural renderings of Building F, and schematic site plans. He used colored drawings of the residential floors (3), and a chart to discuss the specifics of the Petitioner's proposal. He noted the Zoning Ordinance required the Petitioner to set aside 15% of the units and 15% of the total project as affordable. He noted this would include the potential for more than 15% units in the last Phase, to "make up" for any fractional units "lost" to rounding. He also addressed the potential ownership model of this and future Phases – Building F, C and D are planned as rentals. Building G is planned as a condominium. Mr. Heidelberg also noted the Petitioner may, however, want the ownership model of Building F to change from rental to condominium.

Mr. Reynolds asked the Members for any comments and discussion.

The Partnership, using the colored floor plans, discussed the proportionality of the proposed units, sizes, and locations within the building. The consensus was as follows:

A. Endorse the proposed unit count, layout and proportionality shown on the Petitioner's submission, Sheet A1.09, dated 7/31/17, with the following changes:

    1. Make unit 532 larger, large enough to meet the Department of Housing and Community Development's minimum size for a one-bedroom, and

    2. Remove unit 501 from the proposed affordable units, and

    3. Add unit 701 to the proposed affordable units.

Mr. Reynolds asked for a vote on the proposed affordable unit breakdown and allocation as discussed.

Mr. Costello moved to endorse the unit breakdown and allocation as discussed. Mr. Cook seconded the motion, which was unanimously approved.

Mr. Costello left the meeting at 6:50 PM, but a quorum of Members remained.

III. 290 Pleasant Street, Unit 103: Possible Purchase with HOME Funds

Ms. Adams updated the Housing Partnership on the current situation at 290 Pleasant Street, Unit #103, an affordable condominium unit. She noted the current unit owner had recently been in danger of mortgage foreclosure with his lender for at least the second or third time. She noted he'd been able to come current on his payments within the last two weeks. She also noted that he was in arrears with his condominium association fees. Finally, Ms. Adams noted there was a question as to whether or not the unit owner was living in the unit, which was a condition of the Department of Housing and Community Development Universal Deed Rider.

She said given this, DHCD had issued a potential affordable resale/purchase price notice of $165,000, and that the Town had the right of first refusal to purchase the unit in the event of a foreclosure. Ms. Adams noted there was $157,000 in Watertown's HOME Projects budget, which could be used to purchase this unit. She also noted these funds were Watertown's to use as it saw fit for the next two calendar years. Therefore, this would allow the Town to have access to a significant amount of the purchase price, albeit the remainder could be made up through use of the Affordable Housing Development Fund. Ms. Adams also noted that the affordable purchase price would be enough to make both the mortgage holding bank and the Condominium Association whole.

Ms. Adams said that independent of the potential foreclosure, the Town was taking steps to have the unit owner provide a written report on his occupancy, and the condition of the unit.

She concluded by noting that no action was needed at this time, as the owner had become current again on the mortgage. Ms. Adams said she would keep the Housing Partnership apprised of the owner's response to the Town, which was due back in early September, and next steps overall.

IV. Discussion of Affordable Assisted Living: Staff Update on Research

Ms. Adams provided additional context for the discussion, noting her research on the few municipalities that provide or have attempted some type of set-aside or cash-in-lieu payment for Assisted Living. She also noted that *Assisted Living* as defined in the Zoning Ordinance (WZO) includes Independent Care, Assisted Living and Memory Care housing/service models. She noted the WZO was amended (Use Table) in 2011 to create the use category of Assisted Living, and to permit it by Special Permit with Site Plan Review (SP/SR) in specific zoning districts. The Residence at Watertown Square went through SP/SPR in 2012, and was classified as an Institutional Use, thereby being exempted from the requirement to provide affordable units.

Ms. Adams also noted she had contacted the Department of Housing and Community Development, and DHCD had clarified that "housing units" would count towards the overall base number of units when calculating Watertown's progress to achieving ten percent of the housing stock as "affordable." She also noted that the affordable units at Brigham House, which provides affordable Assisted Living, would count towards Watertown's total number of affordable housing units, regardless of whether the units there are classified as a "housing unit" or as a "Group Quarters," which are not defined by DHCD as "housing units."

Member Cook said the US Census counts Assisted Living units as "housing" units, such that these units will *absolutely* be included in the denominator when Watertown's percentage of affordable housing is recalculated by the State.

The Members discussed various possible options with respect to requiring some type of affordability for Assisted Living projects, including, but not limited to:

- Cash contribution in lieu of units
- A mix of cash in lieu and units
- A lesser amount of Inclusionary units: 5% instead of 15%
- That only Independent Care projects contribute cash in lieu or units

The Housing Partnership's consensus was that given the complexities of Assisted Living and Alzheimer's Care, Independent Living units were the only units that could realistically be "set aside" as affordable, given that people living in those units need the lowest level of services. The other issue discussed what how to adequately define "Independent Care," when the private models can vary greatly in the completeness of the kitchen facilities in the units, and the level of services an occupant in one of these units is required to purchase. Additionally, if Independent Living units were made affordable, what happens when an income-eligible occupant needs to transition to the next highest level of care, if the Assisted Living units are not also affordable?

Given this, the Partnership's consensus was to pursue the following additional lines of inquiry:

1. Focus on the cost for the real estate "portion" of such facilities

2. Determine if Watertown's current cash-in-lieu payment figure is analogous to the cost to replicate one of these units

3. Look at the equivalent cost to construct a studio or one-bedroom in a privately developed "traditional" market rate apartment building, such as Elan/Union Market, or The Gables, etc.

4. Determine what, if any, changes need to be made to the WZO to implement a cash-in-lieu payment for these types of facilities

Adjourn
Mr. Reynolds asked for a motion to adjourn the meeting.

Mr. Leon moved to adjourn the meeting, and Mr. Cook seconded the motion, which was unanimously approved. Meeting adjourned at 8:00 PM.