



TOWN OF WATERTOWN HOUSING PARTNERSHIP

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Minutes of Watertown Housing Partnership Meeting May 18, 2021 6 PM, Virtual Meeting by Zoom and WCA-TV

Members in Attendance

Fred Reynolds (Chair), Cliff Cook, David Leon, Helen Oliver, Michael Lara, Torey Dean.
Non-members present: Larry Field (staff), Mark Kraczkiewicz.

I. Review of Draft Minutes

Minutes of April 20, 2021 were reviewed, one revision made, and approved unanimously.

II. Local preference

Larry said that the only new data to report is from the 2006 Riverbank Lofts condo lottery. In that lottery, 24% of the applicant pool and 57% of the buyers were minority. This is the opposite of the Repton lottery (% of minority applicants much higher than buyers). While this is encouraging, the data is still sparse—only 2 ownership lotteries were race tracked, both from before 2010, compared to 9 recent rental lotteries (4 Watertown).

Cliff said he would like to collect data from additional projects, e.g., the 101 N. Beacon Street condos later this year, before concluding that local preference will work in the ownership context. David asked whether what we saw at Repton was occurring in lotteries elsewhere in the state. Larry said that the 2010 DHCD study did not find such a pattern.

Larry also reported on his research on lowering barriers to condo ownership by minority applicants. First, while there is no homebuyer education class specifically for Watertown buyers, there is a MA Homebuyer Collaborative managed by CHAPA that offers classes. They are 8 hours each, spread over 4 weeks, with instruction by municipal or non-profit staff. Prior to COVID, the location of the classes might have been an issue, as Framingham and Waltham are the closest, but for the last year or so, they have been remote. CHAPA expects this to continue. Larry recommended that the Town promote these homebuyer classes in conjunction with promoting the 101 N. Beacon lottery, expected to be announced in June.

Second, we could create a homebuyer assistance program. Watertown had one in the 1990s/early 2000s funded by HOME and managed by Watertown Community Housing. It was a zero interest, deferred payment loan for 1st time homebuyers, for between 5-15% of the price. There was a long-term deed restriction. Twenty-six loans were made and \$700,000 committed. A few municipalities have/have had a similar homebuyer assistance program but market conditions have made it hard because of how much money must be committed to buy down the cost of a home. Another approach is to provide a small grant/recoverable loan to help an eligible purchaser buy a home that is already deed-restricted. Both Cambridge and Newton have programs like this, with a \$10,000 maximum. With MHP's One Mortgage program, only a small down payment is needed and a municipality can only contribute half. Although we could

try this approach, there is a significant administrative cost and the Town may place a priority on creating new affordable units. Also, since a homebuyer program cannot be targeted to local residents, it may not help us develop a better approach to local preference for ownership units.

Members discussed their experiences with homebuyer education and homebuyer assistance; there was support for promoting homebuyer classes in connection with 101 N. Beacon Street.

Michael asked Mark to discuss the Community Preservation Committee's support for local preference in the draft CPA Plan. Mark said the CPC understood the WHP's role in recommending any changes in the Town's local preference policy and he agreed with WHP members that 50% was a reasonable level given our existing racial composition.

Members agreed that Larry would draft a local preference policy to review next meeting.

III. Emergency rental assistance program

Larry summarized the emergency rental assistance program's status. There are still 58 households, plus 20 Housing Authority households, that have enrolled in the program. As we get to the 6th month for these households, about 50% of enrollees have applied for RAFT/ERMA and stay in our program until their state assistance comes. The remaining households have a reason to drop out (moved, new job) or are unresponsive.

While the \$275,000 in Town money has been spent/committed, there is no need for additional money at present. Community Foundation money that arrived this spring is still available.

Cliff shared observations about the COVID-related employment data. He said there were three distinct layoff waves, with different types of workers affected by each. Since the first wave hit more vulnerable populations, it makes sense that the demand for the emergency rental assistance program would have been strong last summer and fall. The relative lack of demand now likely reflects the changing employment situation, as well as the state and local assistance that has made a difference.

IV. Update on municipal affordable housing trust

Larry reported that the next step is for KP Law to complete review of the draft declaration of trust and ordinance. Members summarized the reasons for the CPC to consider awarding an affordable housing trust "working capital" that is not tied to a specific project. The trust needs the ability to gain site control fair quickly, particularly if others are interested in the same property. Cliff said it would make sense for the CPC, since it has set aside about \$1 million for affordable housing, to make a working capital award in its initial round. Michael agreed, but added that the Housing Authority was likely to apply to the CPC for a \$1.3-1.5 million award. Mark said the CPC would consider an application for working capital and also would be able to entertain a request for emergency funding if the trust needed to obtain site control.

V. Other business

In reply to questions, Larry said the staff memo on a nexus study is waiting for the next joint committee meeting and that no new housing projects are in the pipeline.

Meeting adjourned at 7:30 pm.