

**Watertown Housing Partnership
Meeting Minutes
Tuesday, March 17, 2015
Lower Hearing Room
Watertown Administration Building**

Member Attendees

Fred Reynolds, Chair, Cliff Cook, Brian Costello, Torey Dean, Paul Fahey, David Leon, Jennifer Van Campen, and Judge Paul Menton

Others Present: Debra L. Smith, Deborah M. Rosati, MS, RS, (Watertown's Director of Public Health), Daniel Lee (Greystar/Elan), Patrick Cleary (Oaktree FX), and Attorney Christian Regnier (Goulston & Storrs)

I. Approval of Meeting Minutes

a. Draft Minutes from January 20, 2015

Mr. Reynolds asked for a motion to approve the draft minutes as presented. Mr. Costello moved to approve the draft January 20, 2015 minutes as presented. Judge Menton seconded the motion, which passed unanimously.

II. Greystar/Elan/Union Market

Daniel Lee (Greystar), Patrick Cleary (Oaktree FX) and Christian Regnier (Goulston & Storrs) attended the meeting to describe the proposed residential mixed use project on Arsenal Street and to seek the Partnership's analysis of the proposed affordable unit set aside according to Watertown's Inclusionary Zoning. They used a PowerPoint presentation to describe the project, and the proposed unit mix and distribution within the project. Mr. Lee described the project as providing 282 rental units, in two buildings, with 11,000 square feet of amenity space for residents, 10,000 square feet of retail space, and 465 parking spaces distributed in podium parking under one building and a parking structure adjacent to and behind the other building. Mr. Cleary described the proposed architecture, using colored renderings. He said the Petitioner was still working on potential tenants for the retail space, perhaps "lifestyle" companies, such as a spa or a small restaurant.

The Partnership discussed the proportionality of the unit distribution as well as the distribution of the units throughout the two buildings.

Mr. Cook asked why the Petitioner was not offering any 3-bedroom units?

Mr. Lee and Attorney Regnier said it was because there were so few 3-bedroom units in the facility, and that it seemed more appropriate to have a non-proportional distribution given Watertown's Housing Production Plan which indicated there was a need for housing for seniors, which indicated more of a need for smaller units.

Mr. Costello suggested his experience as Director of the Housing Authority indicated there were plenty of Single Occupancy Units and one and two bedrooms. He suggested a greater need for larger, 3-bedroom units.

Ms. Van Campen suggested that it would be harder to market the studios, and larger units were needed.

Mr. Cook noted he was a Land Use Planner in Cambridge, and his experience in that municipality was the same. There was a desperate need for 3-bedroom affordable units.

Mr. Lee noted that the initial distribution was 13% of each unit type, exclusive of the 3-bedroom units, would be provided. He said, however, the Petitioner was open to discussion about the unit mix.

Mr. Reynolds suggested the Partnership discuss the two issues separately: 1) should the project be allowed to have a non-proportional unit mix and 2) was the distribution of the units throughout the project consistent with the Zoning Ordinance?

Attorney Regnier noted the Zoning Ordinance allowed the Partnership to recommend a non-proportional unit distribution to the Special Permit Granting Authority. He also noted that the Petitioner had, in the initial proposal, agreed to provide 36 units as affordable, which was more than 12.5%.

The Partnership members discussed a number of possible scenarios in terms of unit mix. The overall desire of the Partnership was to have at least one 3-bedroom unit set aside as affordable. The members acknowledged the Petitioner's initial proposal to provide more than 12.5% of the units as affordable, but suggested a willingness to provide flexibility on the unit mix to have one 3-bedroom be affordable, and have the project meet the required 12.5% set-aside.

Paul Fahey moved that the Partnership support a recommendation to the Special Permit Granting Authority to allow the Petitioner to achieve the required 12.5% set-aside, or 35 total units. Brian Costello seconded the motion and it was unanimously approved.

The Partnership members discussed the distribution of the units throughout the project. Mr. Cook noted that there was a cluster of units on the ground floor, if the Petitioner was willing to provide one 3-bedroom unit as affordable. Mr. Lee said the Petitioner was willing to contribute a 3-bedroom unit for some consideration on the number of other unit types.

Mr. Cook moved that the Partnership direct the Petitioner to provide one 3-bedroom unit townhouse (coded as unit 050 on the floor plans), and as such, would allow the Petitioner to retain one studio (coded as unit 169) and one one-bedroom (coded as unit 144 on the floor plans) as market rate units. Mr. Fahey seconded the motion, and it was unanimously approved.

The Partnership also reached consensus that to reduce the clustering of affordable units that the Petitioner should swap unit 041 (a two bedroom affordable unit on the floor plans) with unit 440 (another two bedroom unit on the floor plans). This would result in unit 440 becoming an affordable two-bedroom unit.

III. Jennifer Van Campen, Metro West Collaborative: Updates

Ms. Van Campen said her reason for having come before the Partnership was that there was a serious problem with the roof at St. Joseph Hall. She said the roof has failed, and is in danger of permanently damaging one unit such that it's not habitable, and if the roof was not repaired, it would put the entire project in danger. She said Metro West Collaborative Development (MWCD) had become aware of this problem in December, 2014 and had been struggling since that time to deal with the leaks, and find monies to permanently fix the problems. She said MWCD was still in the process of seeking bids to do the work, but an estimate from Building Envelope Technologies for a detailed scope of work and management of the job amounts to \$185,000. She noted it was not possible to use Watertown's HOME funds allocation to help, because the project line item for St. Joseph Hall was closed out before the problem was discovered, and HOME rules prevent re-capitalizing projects once closed.

The Partnership members discussed the potential funding sources available, which are the Affordable Housing Development Fund and the old CDBG monies deemed to be Town Match, which come from the Town's Home Improvement Project loans.

Mr. Costello asked if MWCD has included a contingency for hidden damage in its bid proposal?

Ms. Van Campen said she did not think so. At the same time, she suggested that based on the monies that Watertown had already contributed to the St. Joseph project, this additional amount, while significant, nonetheless represented a comparatively small amount when viewed in the context of affordable housing creation and the overall project budget. She also noted that if the problem was not addressed in a timely manner, all 25 permanently affordable units could be in jeopardy. Ms. Van Campen also emphasized that MWCD had attempted to get funding from other sources, but these were also restricted, or unavailable. She said MWCD was also seeking funds from the roof supplier, and the roofing company, as the roof was only 11 years old, but both these companies were in dispute as to which could be responsible: was it a defective roof or defective installation? She emphasized that MWCD did not want to be in this situation, of asking for such a large sum for a project already built. Ms. Van Campen said she and MWCD much preferred using these and other monies to create much needed additional, new units, but there was truly no other option to address the damage at St. Joseph Hall.

Mr. Reynolds noted that the Partnership had access to the Affordable Housing Development Fund and the monies determined to be Town Match from the CDGB grants. He noted each fund had a balance of approximately \$260,000 each. He asked for direction from the Partnership as to whether the Members thought St. Joseph Hall should get the assistance with the roof issue, and how the monies available to the Partnership should be used.

Mr. Fahey suggested it was not in the Town's best interest, if the Partnership was willing to support funding for the roof repair, to take the money from just one of the funds.

Mr. Reynolds asked how long MWCD thought the bid and response process would take?

Ms. Van Campen said MWCD was actively seeking bids for the work, but also acknowledged that it's been a busy time for roofing companies.

Judge Paul Menton moved to direct staff fund the request by MWCD to repair the roof at St. Joseph Hall up to a maximum amount of not more than \$185,000, or less, depending on the bids received by MWCD, to be drawn proportionally from the Affordable Housing Development Fund and the monies determined to be Town Match from the CDGB grants, or, if that is not possible, to draw the entire \$185,000 from one fund. Mr. Costello seconded the motion, and it was unanimously approved.

Mr. Fahey announced that the March meeting of the Partnership would be his last, as he was preparing to move to Somerville at the end of the month. He thanked the Partnership members for the time he spent with them. He excused himself from the rest of the meeting, and left the room.

IV. Draft Policy on Capital Improvements: For Existing First Time Home Buyer Loans

Ms. Adams went over an updated copy of a draft Policy that had also been included with the Meeting Packet. She noted it had been amended to apply only to the remaining American Dream Downpayment Initiative (ADDI) loans in Watertown, of which about 20 are still in existence. She said this is because the WestMetro HOME Consortium will not approve the policy as previously written for any new loans. Ms. Adams said the policy on Capital Improvements for any new loans would be that of the MA Department of Housing and Community Development (DHCD). Ms. Adams said this is acknowledged in Watertown's draft Fiscal Year 2016 Annual Action Plan.

The Partnership discussed further changes to the draft ADDI policy, with input from Attorney Smith, a current First Time Homebuyer loan recipient. She suggested additions to the amended draft Policy. She went through them with the Members. They included:

- Add a cost allowance for replacement of interior doors
- Add a cost allowance for repairs that are needed when there is plumbing replacement, etc.
- Add a cost allowance for removal of appliances, etc.

Ms. Adams noted that DHCD's Policy was more restrictive in terms of what could be classified as a *Capital Improvement* because the properties that would be affected by DHCD's Policy were designed to be affordable in perpetuity. So, DHCD wants to restrict or restrain the growth or increase in the base value of such a property to keep it broadly affordable. She also noted that DHCD's Policy envisions that the proposed *Capital Improvements* would be approved in advance, where proposed Watertown limited Policy for the ADDI loans would be retrospective and apply only to the existing First Time Home Buyer loans.

The Partnership members endorsed these changes, and also recommended a change such that if there was agreement between Department of Community Development & Planning staff and a homeowner on case-by-case issues, the draft ADDI Policy would allow the staff to approve the additional items.

V. Preview of Watertown's Draft FY2016 Consortium Annual Action Plan

Ms. Adams previewed the draft FY2016 Consortium Annual Action Plan. She noted that it commits Watertown to adopt a different policy on *Capital Improvements* for new loans, which would be DHCD's policy. She also noted that the draft Annual Action Plan also relies in large part on Inclusionary Zoning, the Affordable Housing Development Fund and the monies determined to be Town Match from the CDGB grants to create affordable units in Watertown. She noted there was a general move towards regionalization of funding and management in the Consortium because of increased cuts to the HOME funds at the federal level. Ms. Adams noted that the next step in formalizing the FY 2016 Annual Action Plan would be to hold a public meeting on it, similar to the Market Analysis.

The Partnership members endorsed the draft FY 2016 Annual Action Plan, and directed staff to forward it to Newton, and take steps to have it formalized.

Mr. Reynolds, noting the lateness of the hour, asked if the other Agenda items could be postponed until the next meeting in April? These items were 1) Discussion of Developer incentives and 2) Possible uses for the CDBG funds, including de-leading activities. The Partnership members agreed to the postponement.

Adjourn

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

Mr. Cook moved to adjourn the meeting, and Judge Menton seconded the motion, which was unanimously approved.

Meeting adjourned at 8:15 PM.