

MINUTES OF THE MEETING OF  
September 19, 2016  
Brookline Town Hall – Room 408  
*(As approved at the Housing Advisory Board of October 6, 2016)*

Members Present: Roger Blood, Steve Heikin, Mike Jacobs, Karen Kepler, Bill Madsen Hardy, Rita McNally, Kathy Spiegelman

Staff Present: Virginia Bullock  
Joseph Viola  
David Guzman

Members of the Public: Rhonda Glyman, Hebrew Senior Life (HSL)  
Peter Munkenbeck, Consultant to HSL  
Henry T. Wilkenman, Petitioner Warrant Article 34  
Kenneth Goldstein, Petitioner Warrant Article 34  
Tom Nutt-Powell  
Michael Rosenberg  
Roger Lipson  
Yvette Johnson

Minutes

Roger Blood called the meeting to order at 7:30 p.m. Members reviewed the minutes of the June 28<sup>th</sup> HAB meeting. On the section about Proposed State Zoning Legislation, Steven Heikin noted that the Fenway neighborhood of Boston does offer density bonus as concessions and requested to remove this sentence from the minutes. Roger moved, Michael Jacobs seconded, and the Board then

**VOTED** to accept the minutes of the June 28, 2016 HAB meeting.

Roger introduced a new staff member, David Guzman. David is the new Community Planner with the Department of Planning and Community Development. David comes to Brookline with 8 years of experience in community and economic development. He has worked for the City of Somerville, the Brockton Redevelopment Authority, and the City of Chelsea. Members welcomed him.

**Hebrew Senior Life – Request for subordination of Town financing at 1550 Beacon Street**

Rhonda Glyman and Peter Munkenbeck began a presentation to request subordination of Town financing at 1550 Beacon Street. Rhonda introduced Hebrew Senior Life (HSL) and Center Communities of Brookline, as a non-profit, non-sectarian organization that has provided housing and health care for seniors, research into aging, and education for geriatric care providers since 1903. She described the HSL properties in Brookline which include three high-rise service-enhanced elderly housing developments at 1550 Beacon Street (*180 units in total, 107 affordable units*), 100 Centre Street (*211 units in total, 127 affordable*) and 112-120 Centre Street (*125 units in total, 104 affordable*) serving low, moderate and market-income seniors. She stated that two-thirds of the 511 units in HSL's Brookline facilities are affordable, while one-third of them are market-rate. This configuration of mixed-income housing results in a holistic approach to services that combine transportation, fitness, spiritual growth and institutional partnerships with Harvard Medical School.

Virginia stated the Town made a \$1 million loan (Affordable Housing Trust Fund) at the time of acquisition of these properties. The loan bears a 0% interest rate and will come due only if the owner does not extend the term of affordability beyond the forty years agreed to. Roger highlighted the sound investment the Town made on this project in 2002.

Consultant Peter Munkenbeck began his presentation by discussing the affordability restrictions on each of the three properties. Both 1550 Beacon Street as well as 100 Centre Street require that 25% of the units are restricted for seniors earning up to 50% of the Boston area median income (AMI); 25% of the units are restricted for seniors earning up to 80%

AMI; and 10% is restricted for seniors earning up to 100% AMI. 112 Centre Street has 104 units subsidized with project-based Section 8s for seniors as well as 20 market-rate units for larger households. Peter stated the need to refinance HSL properties both in Randolph and Brookline.. HSL is working with DHCD and MassHousing to work through a multi-property recapitalization that has as its main goal the improvement and upgrade of the properties as well as the generation of enough capital to make capital improvements at its Roslindale facility as well as several other organizational needs.

The first property to be refinanced will be 1550 Beacon Street, which does not have expensive capital needs and does not fully qualify now for Low Income Housing Tax Credit subsidy. The plan is to maintain current levels of affordability and take advantage of current interest rates to raise funds for capital needs within the property as well as other HSL goals.

The plan for 112 Centre Street is to resolve immediate issues surrounding the building envelope to improve comfort and energy performance. HSL plans to refinance and rehabilitate this building using Low-income Housing Tax Credits as well as other state and local subsidies. Total improvements are expected to be at least \$10 million. Rhonda explained that the windows repairs will require a major façade improvement, not merely a window replacement. Because of this, the CDBG funding received by HSL in FY16 and FY17 for window replacement was returned. . Windows replacement will not address major energy efficiency improvements until the existing electrical heat system is replaced by a more efficient heat system. Currently, HSL is in conceptual plans stage for this rehabilitation.

HSL is requesting that the Town subordinate its \$250,000 mortgage and extend the maturity date on the mortgage at 1550 Beacon Street. In addition, the Affordable Housing Restriction will also be extended to match the date of the new first mortgage.

Bill Madsen Hardy asked whether this transaction was a cash-out refinancing and what the use of the proceeds would be. After Peter gave a brief description of uses of the proceeds, Bill stated the State usually requires repayment of a portion of the original obligation first before entering into any new financing or subordination agreement—in this instance one third of the total \$250,000 amount.

Peter Munkenbeck stated HSL will request additional funds for 112 Centre Street once the 1550 Beacon Street refinancing is complete. The decision on refinancing 100 Centre Street and 112- Centre Street is contingent on the subordination of 1550 Beacon Street.

Roger asked if the Town had already subordinated to other refinancing requests, the response was no, this is the first request. Roger then suggested that a motion to approve the subordination proposal with the Town subordinating its mortgage position include a requirement that Town's position continue in Pari Passu along with other lenders.

Karen Kepler inquired about the new terms on the first mortgage. Peter stated that Rockport First will offer a conventional mortgage with maturity set at 40 years.

HSL plans to raise \$25 million. Uses will include pay off the old first mortgage (\$9 Million), closing costs (\$600k), capital investments (\$1M), institutional investments, and property improvements at the Roslindale facility (\$5 million).

Board members were asked about timing for decision making. Peter stated that for 1550 Beacon Street, the closing is expected to happen in November 2016. For 100 Centre Street, it is still four to six months away, most likely in the spring of 2017.

After further discussion, Roger made a motion, Kathy seconded and the Board then

**Voted** to request that the Board of Selectmen require a partial repayment equal to one third (\$83,333.00) of the Town's original loan (\$250,000.00) to HCRA Brookline Housing for the Acquisition and Financing of 1550 Beacon Street, Brookline, MA (dated October 17, 2002), in return for extending the term of its existing Mortgage, Promissory Note, and Affordable Housing Restriction (all dated October 17, 2002) to match the maturity date on the new first loan and maintaining the Town's existing subordinate lien priority.

Members paused at this point in the formal meeting agenda to acknowledge and thank HAB member Kathy Spiegelman for her 19 years of service to the HAB and the Town, including her considerable efforts on behalf of the HAB to bring the Town's Olmsted Hill affordable housing development.

### **Presentation on potential affordable senior housing project for Town-owned Kent/Station Street parking lot**

Petitioners Ken Goldstein and Henry Winkelman presented Warrant Article #34 supporting a potential senior housing air rights development project for the municipal owned parking lot at Kent and Station Street. The purpose of the presentation was to make the HAB familiar with the concept, and to request a vote in favor of the warrant article.

Roger mentioned that this location was listed as a potential development site for affordable housing in the Housing Production Plan. He noted that the HAB would need to hold a public hearing in order to take a formal vote on the warrant article.

The key principle of this concept is to use air-rights above the Town's Kent/Station Street parking lot for the creation of affordable senior housing in Brookline Village's pedestrian/age-friendly urban environment. The benefit of making this an air rights development is that it would allow the Town to retain ownership of the parking lot (versus a 99-year ground lease to another entity), which would permit continued use for both of its current community uses: public parking and access to/from the MBTA station. In addition, some community uses could heighten the sense that this development is still an active part of our community. The petitioners envision a mixed-income senior affordable housing development with +/-62 units: About 41 units will be offered to seniors with incomes less than 60% AMI, and 21 units to seniors with incomes under 100% AMI. Petitioners stated that they have been talking to abutters and members of the community, including Town Meeting Members, about the project. The petitioners believe the warrant article will open a community discussion with a more precise understanding on the role the Town would play.

Roger asked for clarification on how the site is intended to be acquired and developed, and inquired about a potential RFP process to engage developers. Members of the Board discussed the implications of issuing an RFP, including that the document must be tailored with specific parameters on design, mass, grade, access, financing, etc. Although several members praised the effort to explore the redevelopment of this site into affordable housing, they noted that significant community outreach and political engagement must be done before an RFP is issued.

Presenters stated that the warrant is not specific and that the expectation is to obtain approval from the Selectmen to release an RFP. Presenters anticipate that this project would most likely be done under a comprehensive permit ("friendly 40B") project. Kathy Spiegelman welcomed the idea of the project, but encouraged proponents to acknowledge the many development pressures going on in the area, which may make it more difficult to obtain support from neighborhood residents.

The Board engaged in a discussion about the Town's prospective role in the context of this project. Virginia stated that the Department of Planning and Community Development is not supportive of this Warrant Article as the Director feels that the site should be included in the upcoming Strategic Asset Plan, which will offer more insight on future uses of all municipally owned properties. Disposition of municipal real estate assets cannot happen before having a professional property appraisal. Any development plan will also require an additional vote from Town Meeting to approve the conveyance.

Roger asserted that the HAB will continue advocating for this project. However, in order to make the project feasible, the HAB needs to understand the size, mass, density, design, and more specific details to better visualize the concept. The HAB will hold a public hearing on this warrant article on October 6<sup>th</sup>.

### **Housing Production Plan**

Roger noted that all HAB members had received the Housing Production Plan and asked that members vote to support the Plan. Both the Planning Board and the Board of Selectmen are scheduled to review and vote on the HPP within the next week. Afterwards the HPP will be sent to DHCD for approval. Once approved, if the Town adds at least 0.5% (131

units) to its Subsidized Housing Inventory it can receive up to a one-year “safe harbor” protection from new 40B proposals.

The Plan was written by RKG, MAPC, and JMG Associates under the guidance of a working group comprised of staff and Planning and Housing Advisory Board members. The process took approximately six months and included significant public participation.

Several members noted that the plan does not get site specific. Roger noted that there had been an extensive process that identified a number of specific sites for future affordable housing development based upon criteria identified by members of the public and the consultant team; this process resulted in 178 potentially suitable sites with a potential to produce over 10,000 units. This large number was not realistic or particularly helpful, so the working group and consultant used this information to focus on a limited number of areas/corridors and under-developed nodes that are most appropriate for mixed-income and mixed-use development. These area-based findings are included in the final plan.

After several more minutes of discussion, Roger made a motion. Steve seconded, and the Board then

**Voted** to recommend that the Board of Selectmen approve the Housing Production Plan and submit it to DHCD for approval.

### **Updates**

Virginia provided the HAB with updates on the current 40B projects before the Zoning Board of Appeals and noted that more details and plans were available on the Town’s web site. A resident inquired about the status on 1299 Beacon Street project, Virginia stated that the project had not yet received a Project Eligibility Letter from MassHousing and that updates are always available at the Town’s Planning and Community Development website.

Roger noted that after 28 years of significant contributions to the Town of Brookline’s affordable housing work, Bruce Genest would be retiring. The HAB members thanked him for all of his work on behalf of the Town.

The meeting was adjourned at 9:45 pm.