Members: Roger Blood, Steve Heikin, Michael Jacobs, Bill Madsen Hardy, Jonathan Klein, Rita McNally

Staff: Virginia, Bullock, Edward Bates, Joe Viola,

Guests: Maria Maffei, Patrick Dober, Steve Schwartz,

Roger Blood called the meeting to order at 7:05PM

1. Approval of minutes from October 15, 2019 HAB meeting

HAB members VOTED unanimously to approve the minutes from the October 15, 2019 meeting.

2. Brookline Housing Authority presentation and request for funding for RAD project at 90 Longwood Ave.

Maria Maffei, Director of Redevelopment for the Brookline Housing Authority (BHA), provided HAB members with an update on current BHA activities, a description of progress on the Rental Assistance Demonstration (RAD) program, and made a funding request to the Town for $1.35 million to support the next phase of the RAD program at 90 Longwood Ave.

Ms. Maffei began the discussion by stating that the predevelopment financing facility which the Town afforded the BHA was entirely drawn down in March and they were able to fully pay it back by the end of July when they closed on 61 Park Street. They plan to draw these funds down again soon for additional pre-development activities.

Ms. Maffei further described that the BHA is several months into construction for 61 Park Street. The cost for rehab is $175,000 per unit. Of the total budget for the project, $17.7 Million was raised through tax credit financing and $7 Million in permanent financing from support of Section 8 funding they receive.

She continued the discussion by providing the HAB with an update on the BHA’s Preservation Initiative. The Preservation Initiative began in 2017 with a goal of revitalizing all of the BHA’s properties. The RAD program, in particular, is allowing greater progress on understanding how to proceed with the BHA’s federal properties. A recent survey of the BHA’s properties found that there is just under $26 Million of capital needs on six properties. The goal is to preserve current units while also creating more affordable housing units on several of their lower density sites.

The BHA hopes to begin construction on 90 Longwood Avenue, which houses elders and the disabled, in 2020. This project would be the BHA’s second RAD conversion and its third tax-credit deal. This renovation will consist of addressing all outstanding capital needs, long-term repairs, increasing energy-efficiency, adding aging-in-place details, and a reconfiguration of the ground-level floor which will allow modern offices and separate sections for office and resident space.
The plan is to do a 4% tax credit transaction and a RAD conversion for 90 Longwood Ave. which will allow transferring the property to a limited partnership under a ground lease structure with the BHA as the management entity. The BHA is requesting $1.35 Million from the Town out of a total budget of $49 Million. Most of the budget will come from tax credit equity investments and permanent financing supported by Section 8. The BHA needs to provide a financing plan to HUD in January before they can close on the project.

Jonathan Klein stated that he is not opposed to providing Town funds to the BHA for this project, but would like to see these funds being utilized for production, not just renovation, and recommended that the BHA explore utilizing additional state funds. Ms. Maffei added that there are both 4% and 9% tax credits, with 9% being the most competitive which are geared toward new construction. The 4% tax credits are for preservation and renovation and the BHA has applied for these for past projects. If one applies for the 4% credits, which this project will, one cannot request funding from other state programs. For future projects where the BHA will add units, they will apply for both 4% and 9% tax credits and will pursue subordinate debt from the State and the Town.

Patrick Dober noted that it is important that the HAB provide approval for the funding request for 90 Longwood Ave. at the December meeting to meet their timeline. The BHA will need a letter of intent for funding from the Select Board.

Bill Madsen Hardy asked the HAB what the process for underwriting is for projects requesting funding from the HAB. Virginia Bullock stated that in the past, the Town has relied on underwriting by the State sources as well as the HOME Consortium, with additional feedback from HAB members who have been selected as experts in the field. Currently the Town is not funding a Housing Development Director as it has done in the past.

Roger stated that there are three structures for underwriting which include:
- The use of staff members in which currently, the Town is not structured to perform full independent underwriting
- The collective, combined skills of HAB members
- Outside expertise from a consultant

The HAB further discussed a proper underwriting process for requests to the HAB and decided to pursue hiring an outside consultant. Virginia added that the HAB will need to create a scope for a consultant and explore the process to attain one.

Jonathan Klein MOVED and Mike Jacobs SECONDED

**VOTED:** To ask the Select Board for up to $10,000 from the Housing Trust to engage a consultant to assist the HAB with underwriting purposes.

**ALL APPROVED**

3. **Presentation by Welltower on Independent Senior Housing/Assisted Living project to be built at 129 Fisher Ave. (formerly Newbury College) and discussion of proposal to meet affordable housing requirement.**
Steve Schwartz of Goulston and Storrs, who are representing Welltower and Balfour for this project, gave a presentation to the HAB on the proposed independent senior housing/assisted living project to be built at the former Newbury College site located at 129 Fisher Ave.

The presentation included information on the proposed project including a proposed site plan and scenarios concerning the Inclusionary Zoning (IZ) bylaw requirements for the project. The presentation also stated that the current plan is to sell the west side of the property to the Town to be utilized for municipal purposes.

The proposed project is to feature a total of one hundred and sixty units with eighty-one units for independent living, thirty-seven units for assisted living, and forty-two units for memory-care. The current IZ bylaw (by law 4.08) would apply to the independent and assisted living units, though the company is waiting for a final confirmation on this from the Town’s Building Commissioner. Under bylaw 4.08, eighteen units would be subject to the bylaw. Twelve of those units would need to be at 80% AMI and six units at 100% AMI.

Mr. Schwartz further explained that the development team is happy to provide on-site affordable units, but eighteen total units is not financially feasible due to the high cost of services. The company did a calculation and discovered that each affordable unit would be $1.3 Million less value, thus making the project financially unviable. The team also did a buyout calculation for the units and came to a total of $6,150,000.

Mr. Schwartz then presented four options to the HAB regarding the affordable units. The first option is a cash payment, which is preferable to the development team, and could create many more new affordable units in the Town. The second option is to have five on-site affordable units at a cost of $6,150,000. The third option is a combination of options one and two which would include two or three on-site units and a payment of $3.6 Million to the Town. The fourth option would be for the development team to renovate 125 Holland Road into six to eight age-restricted affordable units.

When the presentation was completed, Roger stated that the IZ bylaw has language concerning assisted living units, but it is not clear what options are feasible. The Town is currently in the process of hiring a financial consultant (Pam McKinney) to perform a deeper exploration of the numbers on this project.

Paul Saner, a member of the Select Board appointed committee working on the Newbury College site, stated that Welltower has requested that the Town hold a special Town Meeting in March. This timeline is dependent on various decisions to be made including the affordable housing requirements. Also, the Select Board has had consultants explore uses for the west side of the property, such as a ninth school, and no decision has been made. Politically, it would be difficult for the Town to support the up-zoning of the east side if a decision on the use of the west side has not been determined. If the Town cannot purchase the west side, but did deliver to Welltower the up-zoning of the east side, Welltower would be required to subject the property to a ninety-five year recorded tax certainty agreement.

Virginia stated that the HAB will make a recommendation regarding affordable housing requirements first to the Newbury College Zoning Committee, chaired by Nancy Heller, and then to the full Newbury College site Committee. The full committee will then make a final recommendation for the overall project to the Select Board. Steve Heiken added that there are a number of subcommittees for the project including one developing design guidelines. Overall, this work will most likely result in a zoning
overlay which will become part of the zoning bylaw. Mr. Schwartz noted that after the committee decides the design guidelines, this will result in a memorandum of agreement between Welltower and the Select Board and will be part of a warrant article package for Town Meeting.

Roger noted that since the Waldo-Durgin project was approved, there has been feedback from residents expressing concerns about the Town receiving a cash payment vs. the creation of new affordable units from developers. In that development, a particular project was not identified for support from the cash payment.

Virginia further explained that one scenario could be that a cash payment from Welltower be made to support the Brookline Housing Authority with its preservation initiative and to assist in adding new affordable units to their portfolio, as planned for several of their lower density sites. HAB members were generally supportive of this option. Virginia added that outside development teams were asked to explore the feasibility of an affordable housing project at the Holland Road parcel and it was determined that without a fairly substantial increase in density, a rental project at that location would not be financially feasible to operate.

The HAB then welcomed questions from residents attending the meeting. Ken Goldstein, an abutter to the property, stated that the project is already “bursting at the seams” by adding substantial density to the neighborhood and commented that the Holland Road parcel should fit no more than four units.

Ruthann Schneider asked the HAB if the west side of the lot was explored for affordable housing. Roger noted that to date housing was not considered for that part of the site.

Mr. Saner asked the representatives from Welltower if they are suppressing the land value on the east side to make their numbers work with the hope they will pass on the land value increment on the Town and its negotiations to potentially purchase the west side. A representative from Welltower explained that the assumption is that they will sell the west side to the Town on the same per-square-foot basis which they paid for the land, which should be approximately $15.5 Million plus $1 Million in carrying costs and insurance.

Mr. Dober stated that he approves of the idea to connect a cash payment to support continued capital needs and possible addition of new units at the BHA properties.

4. Community Engagement on Affordable Housing – update

Jonathan Klein provided the HAB with an update on the affordable housing community engagement initiative. He had a meeting with HAB member Jennifer Raitt, DICR Commission Chair Joan Lancourt, and Dana LeWinter from CHAPA recently. Ms. Lancourt is taking the lead on this initiative and has planned a steering committee meeting on December 18th which will be chaired by Ms. LeWinter. The goal is to have a town forum in May.

5. Warrant Article 9: resolution on real estate transfer fee – continued discussion and possible vote

The HAB continued its discussion from the last meeting on Warrant Article 9 which is a resolution to create a real estate transfer tax supporting affordable housing in the Town. Roger stated the HAB could send a strong message for affordable housing and vote to approve the warrant article or vote to refer it to the on-going study committee that was appointed last year by Town Meeting to analyze the impacts
and uses of such a tax. The HAB invited Town Meeting Member Deb Brown, a co-petitioner for Warrant Article 9, to talk to the HAB about the warrant article. Ms. Brown stated that if the HAB votes to approve this warrant article, it would send a strong message about the need of affordable housing in Brookline. Additionally, in January, the state legislature will vote on legislation on real estate transfer fees and having more communities vote in favor of the fee will help move it forward at the state level.

Jonathan Klein MOVED and Rita McNally SECONDED

HAB approval of Warrant Article 9 which will authorize and empower the Select Board to file a petition for legislation to authorize the Town to levy a real estate transfer tax.

ALL APPROVED

Virginia noted that she sent materials to the HAB on other towns which have pursued real estate transfer fees and also asked Ms. Brown what the next steps in the process would be. Ms. Brown said that once the state legislature votes in favor of real estate transfer fees, it is hopeful that the Select Board will begin discussion on the topic and a vote from the electorate will occur in approximately a year.

6. UPDATE: Status of current 40B and Subsidized Housing Inventory – One new 40B at 500 Harvard: Two new PEL requests

Virginia provided the HAB with an update on the Town’s subsidized housing inventory and possible upcoming new Ch. 40B projects.

The meeting was adjourned at 9:41PM