



# *Town of Brookline*

## *Massachusetts*

**Department of Planning and  
Community Development**

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**Alison Steinfeld  
Director**

**Kent/Station Street Affordable Senior Housing**

Negotiation Committee  
Tuesday, February 23, 2021  
3:00 pm

Join ZoomGov Meeting

<https://brooklinema.zoomgov.com/j/1612937874?pwd=cmJrTHhrN1F6Um1maGvMTFnNnF6Zz09>

Meeting ID: 161 293 7874

Passcode: CmV1fcRz

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## **AGENDA**

**1. OPEN SESSION**

Question of entering into Executive Session for the reason stated in item 2

**2. EXECUTIVE SESSION**

Through a Request for Proposals process, a proposer was identified as a potential developer of affordable rental senior housing at 25-31 Kent Street (the Kent/Station Municipal Parking Lot), a parcel of Town-owned land. A Negotiation Committee was formed to determine whether the town and the developer can reach agreement on acceptable terms and conditions for the redevelopment of the Kent Street lot. If the chair declares that an open meeting may have a detrimental effect on the negotiating position of the committee, the committee will vote to enter Executive Session to discuss the disposition of the real property to the developer.

*The Town of Brookline does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services or activities. Individuals who need auxiliary aids for effective communication in programs and services of the Town of Brookline are invited to make their needs known to Lloyd Gellineau, Town of Brookline, 11 Pierce Street, Brookline, MA 02445. Telephone (617) 730-2328; TDD (617) 730-2327; or e-mail at [lgellineau@brooklinema.gov](mailto:lgellineau@brooklinema.gov)*

# **Kent/Station Street Affordable Senior Housing**

Negotiation Committee  
Monday, February 23, 2021  
Meeting Minutes

## **Committee Members present:**

Heather Hamilton, Chair  
Roger Blood  
Virginia Bullock  
Steve Pratt-Otto  
Don Warner

## **Staff:**

Joe Viola

## **Documents Provided:**

Agenda  
Draft Minutes – 2.16.21 Meeting

## **Public (during Open Session):**

John Van Scoyoc

At approximately 3:15 PM in Open Session, the Chair stated the committee's reasoning to move into Executive Session – which was noted in item 2 on the meeting agenda. The Chair noted that the Committee would not reconvene following the Executive Session. After reading the purpose for the Executive Session as stated on the agenda, the chair made the following motion:

Chair's Motion: To enter Executive Session

Seconded: Blood

Vote: Unanimous

## **Executive Session:**

The Committee discussed meeting minutes and took the following vote:

Chair's Motion: Approve the minutes of the February 16, 2021 meeting

Seconded: Pratt-Otto

Vote: Unanimous

The Committee discussed the process for meeting with the developer outside of executive session. Staff noted that the discussions would be limited to a non-quorum number of committee members and staff. The committee could designate a member to meet with the developer along with staff. This group could report back to committee as a whole with updated information. The committee discussed when it might make sense to meet with the developer and what questions would be posed.

There was a general discussion of “soft spots” for negotiation and what could and couldn’t be adjusted programmatically because of the requirements of the Request for Proposals and the “must haves” contained therein. With respect to parking required in the RFP, the committee discussed strict compliance and substantial compliance with the requirement to replace all of the public parking. The committee revisited the items that were required by the RFP, including:

- Replacement parking
- Accessibility of the site to the public
- 40-65 age-restricted rental units
- Robust services

The committee discussed the Kent St Warrant Article and resolution; it is clear that the expectation was that all of the parking would be retained as part of site redevelopment. The RFP reinforces this requirement.

There was a general discussion of cost savings and value engineering and how various construction budget line items could be adjusted. A discussion ensued about realistic cost savings that could be achieved via value engineering. It was estimated that realistically, value engineering could lead to a 2% cost savings. Staff noted that the current Housing Trust balance (approx. \$4.4 million unencumbered) falls well short of 2Life’s required project subsidy. It was noted that, if adopted, the CPA could help to bridge the gap.

There was a brief discussion about how much parking could be adjusted downward without running afoul of the community process or the requirements of MGL Ch 30B procurement process. Staff agreed to discuss this with the Chief Procurement Officer and Town Counsel.

There were questions of parking revenue generated from the municipal lot. Staff agreed to look into this question with the Transportation Dept. – along with the utilization rate of overnight parking.

The next meeting was not scheduled.

The meeting adjourned at 4:20 PM.

## **Kent/Station Street Affordable Senior Housing Negotiation Committee – 2.23.21**

### **Committee Questions – Parking**

**Q: What is the pre-COVID revenue generated by the Kent/Station lot?**

**A: Per Todd Kirrane, Transportation Administrator:**

|                    |  |
|--------------------|--|
| \$3,000.00         | Overnight parking revenue - CY 2019          |
| \$3,275.00         | Revenue from merchant permits – CY 2019      |
| <u>\$20,950.85</u> | Daily merchant revenue from meters – CY 2019 |
| <b>\$27,225.85</b> | <b>TOTAL – CY 2019</b>                       |

Todd notes that parking revenue for CY 20 is down significantly, even if it is a bit skewed because the Town was not collecting meter revenue and not enforcing the lots due to the initial COVID 19 shutdown.

**Q: Is there capacity to absorb some of the parking at the larger Kent/Webster Street lot?**

**A: Per Todd Kirrane, Transportation Administrator:**

This Kent St. lot is not popular for overnight parking. It is possible that the Town can accommodate overnight users in the Kent/Webster lot diagonally across the street. Commercial daytime permit holders cannot be accommodated anywhere else – Town must secure parking for these users.

**Q: May the Negotiation Committee direct the proposer to redesign their parking structure to accommodate less parking? Is this legal? Does it violate Ch. 30 B (uniform procurement act)?**

**Summary of question to Town Counsel:** Does the committee have a case to revisit parking? If the RFP required it, would a reduction violate the 30B process since both respondents submitted proposals assuming they had to replace all of the spots as part of the housing program? Further – even though the TM WA contemplated replacement parking – it was a resolution.

**A: Per Joslin Murphy, Town Counsel:**

The OIG has made it clear that whatever proposal process/rating scheme is adopted, it must "preserve open and fair competition, keep proposers on a common footing, and allow manageable and meaningful comparisons." In my opinion, reducing the parking requirement by 25% (arbitrary number provided by staff) at this stage does not meet this mandate. Common footing is exactly what the uniform procurement act is intended to address.

| 1  | B                                     | C                   | D                    | E                   | F   |
|----|---------------------------------------|---------------------|----------------------|---------------------|---|
| 2  | <b>Kent street Affordable Housing</b> | <b>2Life</b>        | <b>HAB revisions</b> | <b>Revised</b>      | <b>Notes</b>                                  |
| 3  | <b>USES OF FUNDS</b>                  | <b>8/1/2019</b>     | <b>2/23/2021</b>     | <b>by HAB</b>       |   |
| 4  | <b>requirement?</b>                   |                     | <b>partial</b>       |                     | <b>type: "no", "partial"*, or "eliminate"</b> |
| 5  | <b>Surplus (Gap) from below</b>       |                     |                      |                     | <b>\$ (1,070,466)</b>                         |
| 6  |                                       |                     |                      |                     |   |
| 7  | <b>Acquisition</b>                    | <b>\$0</b>          | <b>\$-</b>           | <b>\$ -</b>         |   |
| 8  | Parking Construction                  | \$3,760,657         | (661,642)            | \$3,099,015         | * 39 public to 29 save \$661,642              |
| 9  | All Other Construction                | \$18,660,390        | (339,839)            | \$18,320,551        | \$339,839                                     |
| 10 | Value Engineering at 2% (spo new)     |                     | (373,208)            | -\$373,208          |   |
| 11 | Construction Cost Contingency         | <u>\$1,091,927</u>  | <u>535,489</u>       | <u>\$1,627,416</u>  | increase from 5% to 7.5%                      |
| 12 | <b>Total Construction Cost</b>        | <b>\$23,512,974</b> | <b>(465,992)</b>     | <b>\$22,673,774</b> |   |
| 13 |                                       |                     |                      |                     |   |
| 14 | <b>Soft Costs</b>                     |                     |                      |                     |   |
| 15 | Architecture & Engineering            | \$1,605,133         | 0                    | \$1,605,133         | too high. DND would cap at 6.3% all-inclusive |
| 16 | Survey & Permits                      | \$477,833           |                      | \$477,833           |   |
| 17 | Clerk                                 | \$100,000           |                      | \$100,000           |   |
| 18 | Environmental Engineer                | \$53,400            |                      | \$53,400            |   |
| 19 | Sustainability Consultant             | \$112,800           |                      | \$112,800           |   |
| 20 | Bond Premium                          | \$139,517           |                      | \$139,517           |   |
| 21 | Borrower/Lender Legal                 | \$330,000           | 0                    | \$330,000           |   |
| 22 | Title/Recording                       | \$40,000            |                      | \$40,000            |   |
| 23 | Accounting/Cost Certification         | \$41,000            | (6,000)              | \$35,000            | Should be \$30 - \$35k                        |
| 24 | Marketing & Rent Up                   | \$50,000            | 40,000               | \$90,000            | per bev g                                     |
| 25 | RE Taxes during construction          | \$0                 |                      | \$0                 | taxes during construction                     |
| 26 | Builder's Risk Insurance              | \$87,198            |                      | \$87,198            |   |
| 27 | Appraisal & Market Study              | \$25,000            |                      | \$25,000            |   |
| 28 | Construction Loan Interest & Fees     | \$961,685           |                      | \$961,685           |   |
| 29 | Inspecting Engineer                   | \$30,400            |                      | \$30,400            |   |
| 30 | Permanent Loan Fees                   | \$44,070            |                      | \$44,070            |   |
| 31 | MIP                                   | \$6,845             |                      | \$6,845             |   |

|    |  |                     |                    |                       |   |
|----|--|---------------------|--------------------|-----------------------|---|
| 32 | Other Financing Fees                         | \$5,500             |                    | \$5,500               |   |
| 33 | Utility Backcharges                          | \$50,000            |                    | \$50,000              |   |
| 34 | FF&E   | \$75,000            |                    | \$75,000              |   |
| 35 | Low-Voltage                                  | \$200,000           |                    | \$200,000             |   |
| 36 | DHCD Fees                                    | \$58,600            |                    | \$58,600              |   |
| 37 | Soft Cost Contingency                        | \$266,699           | 133,350            | \$400,049             | increase 5% to 7.5%                           |
| 38 | Development Consultant                       | \$0                 |                    | \$0                   |   |
| 39 | Developer Overhead                           | \$1,150,000         |                    | \$1,150,000           |   |
| 40 | Developer Fee                                | \$1,150,000         |                    | \$1,150,000           |   |
| 41 | Lease Up Reserve                             | \$0                 |                    | \$0                   |   |
| 42 | Operating Reserves                           | \$460,276           |                    | \$460,276             |   |
| 43 | <b>TOTAL DEVELOPMENT COST</b>                | <b>\$31,033,930</b> | <b>(298,642)</b>   | <b>\$30,362,080</b>   |   |
| 44 |  |                     |                    |                       |   |
| 45 |  |                     |                    |                       |   |
| 46 | <b>SOURCES OF FUNDS</b>                      |                     |                    |                       |   |
| 47 | Perm Loan (6% 40 years,1.15dscr)             | \$ 5,476,000        |                    |                       |   |
| 48 | <i>Plus reduce op ex by</i>                  | 5%                  | 365,036            |                       | \$558k ttl opex ---excl reduction of re taxes |
| 49 | <i>Less reduction for \$70k RE taxes</i>     | \$ 70,000           | (915,862)          |                       | \$70,000 annual real estate taxes             |
| 50 | REVISED Permanent Loan                       |                     |                    | \$ 4,925,175          |   |
| 51 | Federal LIHTC                                | \$9,999,000         | 0                  | \$9,999,000           | too high for underwriting. use \$0.98         |
| 52 | State LIHTC                                  | \$2,799,720         | 0                  | \$2,799,720           | ""  |
| 53 | <b>Housing trust fund</b>                    | <b>\$6,910,657</b>  | <b>(1,410,657)</b> | <b>\$5,500,000</b>    |   |
| 54 | <i>Town subsidy per aff unit</i>             | \$153,570           |                    | \$101,852             |   |
| 55 | DHCD   | \$3,150,000         |                    | \$3,150,000           |   |
| 56 | <i>DHCD subsidy per aff unit</i>             | \$68,478            |                    | \$68,478              |   |
| 57 | Rebates                                      | \$59,400            |                    | \$59,400              |   |
| 58 | Philanthropy                                 | \$1,596,655         | 399,164            | \$1,995,819           |   |
| 59 | Deferred Fee                                 | \$460,000           | 402,500            | \$862,500             |   |
| 60 | <b>Total Development Sources</b>             | <b>\$30,451,432</b> | <b>(1,159,819)</b> | <b>\$29,291,613</b>   |   |
| 61 |  |                     |                    |                       |   |
| 62 | <b>Surplus (GAP)---excluding acquisition</b> |                     |                    | <b>\$ (1,070,466)</b> |   |

|    |                              |    |   |   |    |             |
|----|------------------------------|----|---|---|----|-------------|
| 63 | ?Acquisition source subsidy? | \$ | - | 0 | \$ | -           |
| 64 | Total Gap                    |    |   |   | \$ | (1,070,466) |

65  
66  
67

| 68 Operating Budget |                     |  |          |  |  |  |
|---------------------|---------------------|--|----------|--|--|--|
| 69                  | Section 8 Units     |  | 8        |  |  | Max without triggering Davis-Bacon wages |
| 70                  | MRVP Units          |  | 12       |  |  |  |
| 71                  | Debt Coverage Ratio |  | 1.15     |  |  | Required by investors                    |
| 72                  | Management Fee      |  | 5%       |  |  |  |
| 73                  | Resident Services   |  | \$50,000 |  |  |  |
| 74                  | Per unit Expenses   |  | \$11,630 |  |  | high, should keep at \$10,500            |