

**Winchester Housing Partnership Board
Minutes for the Meeting of August 23, 2022**

Present: John Suhrbier, Allan, Rodgers, Michael Bettencourt, David Miller, JiFeng Liu, Lisa Matrundola, Marty Jones, Naomi DeLairre, and Felicity Tuttle as pro tem Clerk.

Absent: Cathy Camp Boyle, Diab Jerius, Michelle Bergstrom

Guests: Philip Bushey, Rich Rohan and Steve Campbell.

With a quorum present, the meeting was convened into public session at 7:35 PM. Philip Bushey is in the process of being appointed to replace Edward Martin as the representative of the Council on Aging for the Housing Partnership Board, so is attending this evening's meeting as a guest.

The primary purpose of the meeting is to discuss the proposal submitted by Melanson Development for a mixed use project at the corner of Washington and Swanton Streets. This was the only response to a RFP for this parcel that was acquired by the town by means of eminent domain.

A secondary purpose is whether the Housing Partnership Board is to respond to an invitation to serve as a co-sponsor of a Network for Social Justice panel discussion to be held both virtually and in person on the evening of September 21st.

The meeting concluded with the identification of three items that will be discussed in more depth during the Fall.

Washington and Swanton Street

A 60 residential rental housing development with retail units located along Washington Street is proposed. The project, if accepted, would proceed as a "Friendly 40B." The town purchased the parcel for \$5.3M and would like to recoup the full amount. Melanson, however, has offered \$4M.

In their Spring Town Meeting of 2022, a majority of Town Meeting Members supported an amendment that all of the housing units qualify for the town's Subsidized Housing Inventory. The implication of this requirement is that the project be an all rental development. Although mixed income condominium units may have produced a greater number of actual lower income units, Town Meeting preferred that the development be a mixed income rental development where, under 40B regulations, the Town would receive credit for all 60 units (both affordable and market rate rental units) in our Subsidized Housing Inventory (SHI). As discussed in previous meetings, it is likely that a rental development requirement would negatively impact to some degree the cash portion of any developer offer.

Mr. Bettencourt noted that the Town's recent receipt of additional ARPA funds from the Federal Government offers the town an opportunity to use some of those funds to ease the deficiency between the Town's purchase amount and the Melanson proposal. He emphasized, though, that this is his personal view, and this possibility has not been discussed by the Select Board. He suggested as another possibility that the Winchester Affordable Housing Trust might be able to float a smaller loan toward the development. He noted that the Select Board was still contemplating issues associated with just one proposal being received. He stated that the Town Meeting amendment to require rentals likely influenced some developers who requested the RFP not to respond, although other factors almost certainly came into play as well.

Marty Jones pointed out that Toni Hall, who previously worked with DHCD and is a consultant to Melanson for this project, spoke to the financial pro forma during the Select Board interview with Melanson. Marty explained that the MAHT is in favor of moving forward with the Melanson proposal for a number of reasons including the look and scale if the building being in keeping with the residential neighborhood in which it will be located, and the commercial units which the neighbors have said they are in favor of having. She also suggested that a revenue sharing arrangement be incorporated into an agreement, and that the use of project-based rental vouchers be explored.

Both Lisa Matrundola and Naomi DeLairre spoke in favor of the development having fewer one bedroom and more two and three bedroom units on the affordable side. Lisa Matrundola was pleased that Melanson made accessibility provisions. Naomi noted that Melanson was a strong developer and that was a positive.

Steve Campbell, a visitor, made the point that mortgage rates are now double what they were a few months ago so that could be a factor in the developer's mind.

Chair John Suhrbier commented that he thought Melanson had brought together a strong team. In those areas where his company does not have significant experience, he added team members that would contribute professional expertise in those areas. He also recommended changes in the distribution of the unit bedroom numbers. He liked the idea of the town using ARPA funding and a revenue sharing provision.

Summary of Key Conclusions:

Yes, the Select Board should proceed with the Melanson Development proposal. The Housing Partnership Board comments to the Select Board should note the positive factors relating to building size and design, and the responsiveness to neighbors' interests. The use of ARPA funds also is recommended. Additional changes that the town should request from Melanson include revenue sharing, utilization of project-based rental vouchers, and redistribution of the affordable units to include more 2 and 3 bedroom units.

MOTION:

The Housing Partnership Board supports entering into negotiations with Melanson Development and the Chair be authorized to prepare a memo to that effect consistent with the recommendations of the members, including use of ARPA funds, some redistribution of units so that the affordable units include more 2 and 3 bedroom units than are now proposed, and an ongoing revenue sharing provision.

VOTED UNANANIMOUSLY.

The resulting memorandum report is provided as an attachment to these minutes.

September 21 Panel Discussion on the Relationships between Housing and Health

The Housing Partnership Board has been asked to co-sponsor a panel discussion on the relationships between housing and health that is being convened by the Network For Social Justice with funding provided by Winchester Hospital. The title of the session is "Health Begins at Home - How quality, affordable housing strengthens a community's well-being."

The discussion will be held on September 21 from 7:00 - 8:30 PM in the Town Hall Auditorium, and will be broadcast on WinCam. The three panelists are Thea James, Professor of Emergency Medicine, Boston Medical Center; Dana LeWinter, Municipal Engagement Director for CHAPA; and Sarah Betancourt, an investigative reporter for WGBH News and a principal reporter for this summer's "Priced Out" series. The Moderator for the panel will be Tom Howley who Chairs Winchester's Council on Aging and is a former member of both the Select Board and the Planning Board.

Other co-sponsors include the Parish of the Epiphany, and the Municipal Affordable Housing Trust. Other groups, such as the town's Department of Health, are being asked as well.

MOTION: The Housing Partnership Board is in favor of co-sponsoring the September 21st Panel Discussion on the Relationships between Housing and Health.

ROLL CALL VOTE: Unanimous.

Topics for Consideration During the Fall

Three topics were described where discussion in more depth in coming months would be beneficial.

1) Finalized DHCD Guidelines for Multi-Family Housing in Areas Near Commuter Rail and Transit Stations

Final Guidelines were issued on August 10. Over 400 comments were submitted to Initial Guidelines by various cities and towns. This past Monday, August 20, Planning Director Brian Szekely distributed a summary memorandum describing the major differences between the draft and final guidelines. In summary,

the changes made to the Draft are very helpful to Winchester, but it is likely that some technical challenges will remain.

The immediate next steps are to: 1) request Technical Support from the state; 2) brief the Planning Board and Select Board in September, and Town Meeting in November; and 3) begin work on a Winchester response.

Under the final guidelines, Winchester is now defined as a commuter rail town, with the option to provide 50% of transit compliant housing near the Town Center and the remaining 50% beyond the immediate Town Center. This second district could be along the North Main Street corridor.

2) Review and Update of the Housing Materials Contained on the Town's Web Site

The Chair reported that he had learned very recently that the Housing Partnership Board portion of the Town's web site now contains a series of reference links, including a glossary of terms. After some checking, it appears that this material was assembled by Town Planner Brian Szekely in October of 2021, and then given to Jennifer Cafarella. This material then was added to the Housing Partnership Board page. The Chair's initial reaction is that while this information represents a good start, continued refinement and improvement is desirable. Members were asked to take a look at this material and provide comments and suggestions.

3) Increased Education and Awareness-Raising Regarding Housing Issues in Winchester

One of the findings of Winchester's recently formed Coalition for Affordable Housing is the need to give more attention to education and awareness-raising regarding the economics and availability of housing within Winchester. While education is part of the work of the Housing Partnership Board, the Planning Board, and the Select Board, other activities always seem to intervene so this need for increased education historically has not received the attention that it deserves.

The September 21 panel discussion on Housing and Health is an initial response to this need. Are there other areas where increased education and awareness-raising should be undertaken? How should these activities be organized and undertaken? Again, this is a topic for further discussion during the fall.

September Meeting

After considering conflicts and alternative meeting dates, the next meeting was scheduled for Wednesday, September 28, beginning at 7:30 PM on Zoom.

The meeting was adjourned at 9:15 PM.

Attachment: September 1, 2022 Housing Partnership Board Memorandum to the Select Board

TO: Select Board; Richard Mucci, Chair
FROM: Housing Partnership Board; John Suhrbier, Chair
DATE: September 1, 2022
RE: Melanson Development Proposal for Washington and Swanton Street Land

Members of the Housing Partnership Board have read the August 1, 2022 proposal from Melanson Development to design and construct a mixed-use building on the Washington and Swanton Street land acquired by the town, and watched the associated interview conducted by the Select Board on August 15, 2022. We then met on August 23, 2022 to discuss the Melanson proposal and to develop the recommendations contained in this memorandum.

The Housing Partnership Board supports entering into negotiations with Melanson Development for the reasons documented in the following sections. Specific recommendations to be examined with Melanson Development as a part of these negotiations also are provided.

Housing Characteristics

The proposed mixed-use development satisfies the goals and associated criteria described in the Request For Proposals (RFP):

- 60 units of needed rental housing will be constructed containing a mix of one, two, and three bedrooms, and serving a mix of income levels: 60% of the Boston Area Median Income (AMI), 80% of AMI, and market rate.
- 16 of the 60 housing units will comply with the affordability requirements of the Massachusetts Department of Housing and Community Development (DHCD), thereby making all 60 units eligible for Winchester's Subsidized Housing Inventory (SHI). The maximum allowed Local Preference will be requested.
- The housing units will be appropriate for all age levels, including seniors and younger adults.
- Two of the units will be available for persons with mobility impairments and one unit will be accessible for people with hearing or visual impairments.
- 6,000 square feet of commercial retail space will be developed along Washington Street.
- The building will be three stories in height, with an architectural design that is consistent with the surrounding neighborhood.
- A 7,400 square foot courtyard will be located in the center of the building.
- 90 parking spaces will be reserved for residents, equivalent to 1.5 spaces per unit. An additional 16 parking spaces will be available for use by the commercial establishments.
- The qualifications of the team proposed by Melanson Development are strong and provide the ability to complete the desired project.

At the same time, the Housing Partnership Boards has the following three recommendations where options should be jointly identified and evaluated by the Select Board and Melanson Development:

1. Consider changing the mix of one and two bedroom housing units so that there are more two bedroom units than one bedroom units. For example, the current numbers could be reversed so that there would be 38 two bedroom units and 16 one bedroom units. This change would

enable more households with children to live at this location, consistent with Winchester meeting the housing needs of families.

2. The number of units reserved for households earning no more than 60% of the Boston AMI should be increased. Currently, only 2 housing units in this category are proposed.
3. The housing units reserved for households earning no more than 60% of the Boston AMI should include a three bedroom unit, rather than limited to a one and two bedroom units.

Financial Considerations

Melanson Development is proposing to pay \$4,050,000 of the town's \$5,290,000 land acquisition cost. Members of the Housing Partnership Board are not surprised by this \$1.24M shortfall. Simultaneously achieving all of the goals contained in the RFP always was going to be a difficult challenge. In addition, interest rates have increased substantially in recent months, making reimbursement of the full land cost even a more difficult goal to achieve than it was at the outset.

The Housing Partnership Board recommends that a portion of Winchester's American Rescue Plan Act (ARPA) monies be used to cover either the full amount or at least the majority of this deficit. Housing is an allowed use for ARPA money, and many communities have chosen to use a significant portion of their ARPA money for housing purposes. To our knowledge, Winchester has not yet allocated any of its ARPA money for housing. Completion of this desired Washington and Swanton development would be an excellent use.

The Housing Partnership Board also recommends that the Select Board negotiate into the agreement with Melanson Development that a portion of both the annual revenue flow and any refinancing proceeds be paid to the town, consistent with what often has been done for the construction of private housing on public land. This money would represent a useful revenue stream for the town's Municipal Affordable Housing Trust.

Finally with respect to financial considerations, it is recommended that the Select Board work with Melanson Development and the Winchester Housing Authority to determine if it is possible to assign Project-Based Section 8 Rental Vouchers for some of the 16 affordable housing units. For example, could a portion of the currently approved Housing Authority limit of 14 Project-Based Vouchers be used for the Washington and Swanton development while still retaining the number desired for the Authority's planned group home? Using Project-Based Rental Vouchers for a portion of the Washington and Swanton development could be financially beneficial for the developer, while potentially facilitating an increased revenue stream to the town. While full approval for the use of Project-Based Rental Vouchers may not be possible within the time schedule for the negotiations with Melanson Development and presentation to the Fall Town Meeting, this discussion with Melanson Development and the Housing Authority still should be pursued.

Conclusion

While the submitted Melanson Development proposal is strong, there are portions of the proposed housing characteristics, as described in this memorandum, where improvements may be possible. The Select Board should explore these possibilities as part of the negotiations to be undertaken.

In addition, it is recommended that the current deficit in reimbursement for the land acquisition cost incurred by the town be resolved before a Warrant is brought to the Fall 2022 Town Meeting.