



**EXHIBIT 3 –
AFFORDABLE HOUSING TRUST
MEMO**

MEMO

TO: WINCHESTER SELECT BOARD
FROM: AFFORDABLE HOUSING TRUST / MARTY JONES, CHAIR
DATE: 4/19/2022
**RE: AFFORDABLE HOUSING TRUST LOAN TO THE CIVICO/
WATERFIELD DEVELOPMENT**

Members of Winchester's Affordable Housing Trust met on April 5, 2022 to discuss a loan from the Trust to the Waterfield lot development proposed by CIVICO. The developer's 8/21/2020 submission in response to the Town's RFP and the various revisions to that submission have all proposed a \$500,000 loan from the Trust to support the construction of the building.

The Trust was created by Town Meeting vote with a mandate to "provide for the preservation and creation of affordable housing in the Town of Winchester for the benefit of low and moderate income households." The Trust's work has been supported by the Select Board with \$1million in funding from the Select Board's Housing Fund. The Trust is specifically authorized to lend its funds to affordable housing projects.

At the meeting, the Trust members unanimously voted as follows:

VOTED: The Affordable Housing Trust (AHT) approves a \$500,000 loan at a 5% interest rate, subject to discussions with CIVICO about ways to accelerate repayment to the Trust and subject to satisfactory loan documents.

In making this decision, the members of the Trust discussed the parameters of the development project and reviewed the 2/14/2022 CIVICO proforma and the 3/2/2022 CIVICO letter to Acting Town Manager Beth Rudolph.

We also considered the following:

- Winchester's housing stock is predominantly single family owner occupied dwellings. The need for rental housing is well documented in the Housing Production Plan and other studies of the housing market. The need for housing affordable to low and moderate income households is also clearly documented.
- There are not other publicly owned sites that could provide this kind of rental development, and, especially given Winchester's increasing land prices, there are no privately owned sites that are available or likely to become available in the foreseeable future that could meet this need.
- The location in our Town Center is ideal for housing. It provides access to bus service, commuter rail, shopping, and other services. Additional downtown residents will add to the vitality of the area and support local businesses. This

location also supports the goal of providing affordable housing in all neighborhoods throughout our community.

- CIVICO’s original proposal included significantly more public parking than the other RFP proposals. The revised CIVICO plan provides increased parking for both the building’s residents and the public.
- The revised CIVICO plan keeps their originally proposed 40 deed restricted affordable units, but increases the proportion that will be affordable at 60% of median income. Since the two 40B developments under construction are affordable at 80% of median income, this change is a positive addition to the mix of affordable rental units available in Town.

Regarding the Trust’s specific investment, we want to note the following:

- The loan structure returns funding to the Trust, allowing us to continue our work in Winchester.
- It will demonstrate to the Department of Housing and Community Development that Town resources are supporting the CIVICO development. This is necessary to meet threshold criteria for state funding.
- The Trust will discuss with CIVICO options to accelerate the repayment of the loan, so that Trust could receive funds more quickly.
- Since the Trust loan will repaid out of the portion of the project’s funds set aside for public debt repayments, the Trust will request that CIVICO provide its proposed state funding applications to the Trust for review and comment.
- Once construction is complete, the Trust will monitor our investment by annually reviewing the Waterfield project's finances and reporting our findings to the Select Board. We are interested in coordinating this with any annual review process/reporting procedures established by the Town and look forward to further discussions with the Select Board and the Town Manager on ways to make this an effective review.

The Trust members strongly agree with Town Meeting’s actions to designate this site for affordable housing. Understanding the need to balance many priorities, we believe this is the highest and best use of this site. The Waterfield site provides a unique opportunity to create a significant number of units with deep affordability levels in perpetuity and will help meet Winchester’s needs for a more diverse housing stock.

The updated financial terms negotiated between the Town and CIVICO will provide a financial return that is appropriate for a mixed income development. Furthermore, the structure of the deal means that as the development is successful, our Town will benefit not only socially, but financially. To that end, we plan to actively support the success of this development during the permitting, construction, and operational phases.

We would be happy to provide any additional information on the Trust’s loan or our perspective on affordable housing in Winchester. We look forward to supporting positive action at your upcoming meetings and at Spring Town Meeting and/or a Special Town Meeting to approve a Land Disposition Agreement with CIVICO so that this development can move forward.