COMMUNITY PRESERVATION COMMITTEE
TOWN OF NEEDHAM, MASSACHUSETTS

Minutes of Meeting
January 24, 2024

LOCATION: Hybrid Meeting, Charles River Room, PSAB, 500 Dedham Avenue, Needham and via Zoom

PRESENT: Joe Barnes (Co-Chair), Laura Dorfman (Co-Chair), Reg Foster, Jeanne McKnight, Dave Herer, Jim Rosenbaum

REMOTE: Maureen Callahan

STAFF: Lauren Spinney

GUESTS: Margaret Moran, Deputy Executive Director of Development, Cambridge Housing Authority; Matthew Zajac, Deputy Director for Planning, Cambridge Housing Authority; Needham Housing Authority Board Members, Penny Kirk & Ed Scheideler; Emily Achtenberg, Affordable Housing & Financial Consultant to the CPC

J. Barnes called the meeting to order at 7:03 p.m. and completed a roll call for members of the Committee and staff, the results of which are noted above. J. Barnes reviewed the rules of the hybrid meeting and disclosed that it was being video recorded.

COMMITTEE CHAIR UPDATES

None.

FY2025-01: NHA LINDEN CHAMBERS REDEVELOPMENT (CONSTRUCTION)

This is a request for $5,500,000 by the Needham Housing Authority (NHA) for redevelopment and construction of public housing located at Linden Street and Chambers Street (Phases 1A & 1B) under Community Housing.

R. Foster introduced Margaret Moran and Matthew Zajac from the Cambridge Housing Authority (CHA), and NHA Board members, Penny Kirk and Ed Scheideler.

The NHA hired CHA as a development consultant in 2021 to help the NHA with its federal repositioning efforts and redevelopment of Linden Chambers property. The NHA has also hired architectural and engineering firm, Bargman Hendrie & Archetype, Inc. (BH&A), Attorney Robert T. Smart (counsel with respect to local zoning issues), and law firm Klein Hornig, LLP (special counsel).

M. Zajac presented the overall project design. The existing Linden Street development consists of 18 bungalow style buildings containing 72 studio units. The existing Chambers Street development consists of 5 two-story buildings containing 80 studio units. The properties were constructed between 1959-1970 and have reached the end of their useful life in terms of interior and exterior building systems. Additionally, some building features are poorly suited to meeting the needs of elderly and disabled residents, such as units of inadequate size and an absence of elevators.

The proposed Linden Street design is a four-story building divided into two wings (phase 1A and 1B) connected by a common core that includes an elevator, management offices, etc. Phase 1A consists of 76 units (72 one bedrooms and 4 two bedrooms). Phase 1B consists of 60 units (56 one bedrooms and 4 two bedrooms). The two phases will be financed as one project, but built sequentially to minimize relocation needs of residents on site.

The existing buildings encroach on the 50ft wetlands buffer by almost 19,000 sq feet. The proposed redesign attempts to reduce this encroachment as much as possible. The proposed landscape design contemplates a community garden and greenspace frontage, as well as a rear patio and walking trails near the forested areas. The maximum roof height of 53 feet is consistent with High Rock Middle School.

The predevelopment costs for this project total $2,636,000 and will be funded through the $1,386,000 CPA grant appropriated at the May 2023 Town Meeting and a $1,250,000 ARPA Chapter 102 earmark. These are largely architecture and engineering expenses, development consulting services, legal fees, etc.

M. Moran presented information regarding the sources and uses of funding for this project. The total estimated cost for phases 1A and 1B is $83,864,739, 76% of which is related to construction costs and construction contingency. The NHA will rely on fourteen sources of funding to complete the project, including state and federal tax credit equity and a mortgage payable with income from tenant rent and state/federal rental subsidies, as well as soft funding sources including grants, legislative earmarks, and loans that do not demand payment in the same way a mortgage does (i.e. grants that are presented as loans for tax credit purposes). Other sources of funding include a sponsor loan from the NHA to be funded by income generated by the federal repositioning of the Seabeds Cook properties, energy incentive programs, and a potential building permit fee waiver. The numbers presented by the NHA and CHA are estimates and may change between now and closing if costs and/or interest rates rise.

In terms of tax credit equity, the NHA will need to purchase private activity bonds to qualify for 4% low income housing tax credits. The NHA will submit its pre-application for the winter round of funding in Fall 2024. Unfortunately, there is unprecedented demand right now and the application process is highly competitive. The NHA may not be awarded funding in the first round and may have to apply more than once.

In terms of impact on town services, as senior housing this project will not increase demand on schools. Emergency services may be impacted by increased capacity, but that may be mitigated by improvements such as better site access, central sprinklers, enhanced lighting, and camera surveillance systems. The site will be designed to absorb its own stormwater so it should not worsen local neighborhood flooding.

The NHA and CHA continue to negotiate their developer agreement and hope to have it finalized by the end of March. The CHA has extensive affordable housing development, planning, and project management experience and will serve as a guarantor for the project.

The NHA will bring three warrant articles to the May 2024 Town Meeting: (1) regarding the creation of an affordable housing district; (2) a map article to add the affordable housing district to the Linden Chambers site; and (3) a non-zoning warrant article authorizing the Select Board to clean up vestigial land use restrictions on the property to allow it to proceed as planned.

If the Committee were to vote to approve funding, the money would only be paid out after closing and after expenses were incurred. Closing may be delayed if the NHA is not awarded tax credit equity funding and is forced to reapply over multiple rounds. In terms of placing a contingency/expiration on an award of CPA funds, R. Foster would request that the Committee allow them multiple years subject to renewal.

Recent legislation will allow this project to be exempt from 149 and 149A opening the door to an alternative approach to bidding which could result in savings of about 20% (which they have been assuming in their calculations).

E. Achtenberg views the NHA's reliance on the repositioning efforts of Seabeds Cook for 60 faircloth vouchers and the $6.8M equity take out to fund the NHA sponsor loan as the Achilles heel of this project. Having two tax credit dependent projects in the setting of extreme competition and delays is risky. Seabeds Cook must be awarded funding first, or at the same time as Linden Chambers, for Linden Chambers to be able to move forward. Linking the projects and making it clear that one is dependent upon the other may help. CHA and NHA feel that the likelihood of advancing both projects in the same round is enhanced by how the projects meet multiple state public housing priorities.

MEETING SCHEDULE

Upcoming meetings will be February 7, 2024 at 7:30 p.m. and February 21, 2024 at 7:30 p.m.

MATTERS NOT REASONABLY ANTICIPATED BY THE CHAIR 48 HOURS IN ADVANCE

None.

ADJOURNMENT

D. Herer moved to adjourn the meeting at 8:40 p.m. The motion was seconded by D. Herer. The roll call vote was as follows: **J. Rosenbaum** (aye); **J. McKnight** (aye); **D. Herer** (aye); **M. Callahan** (aye); **R. Foster** (aye); **J. Barnes** (aye); **L. Dorfman** (aye); Motion carries 7-0.

For more information, the meeting materials are available at:

https://www.needhamma.gov/Archive.aspx?AMID=&Type=&ADID=12274

Respectfully submitted,

Lauren Spinney
Administrative Coordinator