



**Watertown Housing Partnership
Meeting Minutes
Tuesday
April 19, 2016
Watertown Administration Building**

Members In Attendance

Fred Reynolds (Chair), Cliff Cook, Brian Costello (Watertown Housing Authority), David Leon, Judge Paul Menton, Helen Oliver, and Andrea Adams (Senior Planner, Department of Community Development & Planning)

Others in Attendance

Steve Magoon (Director, Department of Community Development & Planning/Assistant Town Manager) and District B Council Member Lisa Feltner

Members Absent

Torey Dean

I. Approval of Meeting Minutes: Draft March 29, 2016 (Special Meeting)

Mr. Reynolds asked for a motion to approve the draft Minutes as presented. Mr. Costello moved to approve the draft Minutes. Judge Menton seconded the motion, which passed unanimously.

II. Consider Amending the Requirements for Inclusionary Affordable Housing Town-Wide

Mr. Leon described the background to this meeting of the Watertown Housing Partnership (Partnership) for the benefit of Councilor Feltner.

Mr. Cook discussed the situation in Cambridge, as Cambridge had just released an in-depth study of the issues around Inclusionary Zoning. He noted income variability in Cambridge had declined, with those at 80-100% of Area Median Income (AMI) making up a smaller percentage of overall incomes, and those making 60-100% of AMI declining even further. He said the general result of the study is that Cambridge is contemplating raising the Inclusionary Zoning set aside percentage above 15%, perhaps as high as 20%.

Mr. Reynolds asked how can Cambridge's experience inform Watertown? Does Watertown need to increase the set aside percentage and consider a lower AMI?

Mr. Leon noted the discussion connected to the recent Regional Mixed Use District (RMUD) zoning text amendment. He noted the set aside percentage had been raised in the RMUD to 15%.

Mr. Reynolds suggested it was important for the requirements to be kept simple. As such, he said he did not think it was advisable to have different areas of Watertown to have different requirements.

Mr. Leon agreed, but noted it was also important to address the increasing need.

Councilor Feltner suggested an additional way to create affordable units would be a buy down program for older people who lived in two families. Create an affordable housing restriction in consideration of money for needed repairs or renovation.

Mr. Cook noted that depending on the length of the affordable housing restriction, these units would not count on the Subsidized Housing Inventory. He also suggested that there would be limited

participation in such a program because it would take the equity in the property, which in the current market was very valuable.

Mr. Leon said any changes to the zoning should be based on need. He noted the Housing Production Plan indicated a need to lower the AMI to 65% from the current 80%. He noted that Somerville was wrestling with the affordability issue. He distributed a handout that broke down the potential changes to the Inclusionary Zoning into three scenarios. He said the scenarios were split where the requirement for an additional unit was triggered.

Mr. Cook said units at 100% AMI would not count on the Subsidized Housing Inventory. He also suggested too small of an increase at a lower AMI would not materially impact progress towards the State's 10% affordable housing goal.

Mr. Magoon noted that setting the AMI or the resultant rent at a lower level would more significantly impact developers of rental projects.

Mr. Cook suggested the study in Cambridge indicated the marginal difference to developers between 12.5% and 15% was not significant.

Mr. Reynolds asked Ms. Oliver to discuss her handout.

Ms. Oliver distributed color copies of her handout, which looked at the effective set aside percentage and the impact to the developer. She said this analysis showed distinct "break points." Ms. Oliver said her analysis indicated that the set aside percentage should remain at 12.5% for projects of 19 units or less, as the impact becomes more pronounced at units 17, 18, and 19. She said her analysis also shows that a set aside of 15% for larger projects has a marginal impact. She suggested that 2.5% at 65% AMI and then the rest of the units at 80% AMI, where the 2.5% units would be set aside first. Ms. Oliver said Mr. Leon's Scenario #2 was tough, but realistic.

Mr. Costello asked Mr. Cook how it works in Cambridge?

Mr. Cook said the current set aside is effectively 11% based on a built-in density bonus. He said the prospective renters have incomes between 50% and 80% of AMI, but the rents are capped at 65% of AMI.

Mr. Magoon noted all of the large residential or mixed use projects in Watertown were redevelopments. He said reducing the effective rent to 65% AMI is a good step, but the Partnership also needed to be mindful that the units should count towards the Subsidized Housing Inventory.

The Partnership discussed the relative impacts and benefits of a varied AMI for potential affordable housing renters or owners, and the resultant rent or ownership price.

Mr. Cook said there should be two "income pools." One at 50-65% AMI and one at 50-80% AMI. And, the rent level should be staggered, with some at 80% AMI and some units at 65% AMI. On the ownership side, it should be 80% AMI. He also said he had three other issues for the Partnership to discuss at a later time:

1. Assisted Living – Currently does not contribute any affordable units

2. Condominium Conversions – How to handle this based on existing rental tenants? Should the Town have the right of first refusal to purchase the units, to keep them affordable, particularly to lower income people (below 80% AMI)?
3. Set Aside % of Bedrooms – Currently, the zoning requires a set aside of a percentage of gross units. Could change this to a percentage of bedrooms. Would allow the Town to trade smaller units in lieu of larger ones.

Mr. Reynolds directed staff to draft revised zoning text for the Partnership to review.

The Partnership discussed having a special meeting on April 27, 2016, to try to get recommendations to the Town Council Subcommittee in advance of its scheduled meeting on May 2, 2016.

Adjourn

Mr. Reynolds asked for a motion to adjourn the meeting.

Mr. Costello moved to adjourn the meeting, and Mr. Leon seconded the motion, which was unanimously approved.

Meeting adjourned at 7:30 PM.