



The City of **WORCESTER**

**Affordable Housing Trust Fund
Board of Trustees**

**Meeting Minutes
Wednesday, November 16, 2022 5:30 PM
Levi Lincoln Chamber, City Hall**

Virtual/remote participation via Webex:

To join by phone: 1-415-655-0001 **Access Code:** 2302 720 5450 #

To join the meeting virtually:

<https://cow.webex.com/cow/j.php?MTID=mdcf1e063f8d187dfa333b18b7842c206>

Present:

Affordable Housing Trust Fund Board of Trustees

Victor Agudelo-Ortiz, Chair
James Brooks, Ex-Officio
Lucelia DeJesus
Johanna Hampton Dance (remote participation)
Keith Krikorian
Benetta Kuffour
Jackson Restrepo
Gabriel Rodriguez
Xaulanda Thorpe

Staff

Jeanette Tozer, Affordable Housing Trust Fund Manager

1. Call to Order

Chairman Agudelo-Ortiz called the meeting to order with a roll call at 5:31 PM.

2. Approval of Minutes from September 26, 2022, Meeting

Mr. Brooks made a motion to approve the minutes. Ms. DeJesus seconded the motion. The minutes were unanimously approved 6-0.

3. Applicant Presentation – 34 – 36 – 38 Blackstone River Road

Chairman Agudelo-Ortiz stated that the presentation from Monroe Management for the 34-36-38 Blackstone River Road project is postponed until the December 14, 2022, meeting.

4. Applicant Presentation – Worcester Boys Club

Chairman Agudelo-Ortiz introduced the applicant, WinnCompanies, that was attending remotely to present the Worcester Boys Club project. Ms. Tozer provided an overview of the application and stated that Housing Development Division staff completed a review of the application and determined that it meets the seven minimum threshold criteria as described in the AHTF Application Review Guidance:

1. Eligible Property: The proposed project entails rehabilitating the existing Boys Club building and constructing a new residential building for the purpose of creating new affordable housing units for senior households whose incomes are at or below 60% AMI.
2. Evidence of Site Control: Applicant has provided evidence of site control in the form of a deed.
3. Targeted Affordability:
 - 69 units will be occupied by households at or below 60% of area median income
 - 11 units will be occupied by households at or below 30% of area median income
4. Term of Affordability: The project meets the required term of affordability, which is set at a minimum of 30 years.
5. Accessibility: With 9 accessible units, or just over 11% if the project units, the applicant meets the minimum requirement that 10% of project units are accessible.
6. Financial Feasibility: The underwriting forms indicate that the project is financially feasible, and all sources of funding have been identified including State funding that is being applied for in parallel with their application to the AHTF. Should Housing Trust Fund dollars be awarded to the applicant, a letter of conditional commitment will be issued subject to the applicant obtaining the other funding.
7. Readiness to Proceed: The applicant has provided a project timeline and is aware that they must complete the project by the end of September 2026.

Michael O'Brien, Executive Vice President for WinnCompanies, and Bryan Nguyen, Assistant Project Director for WinnDevelopment, participated remotely and reviewed a PowerPoint presentation regarding their application to the AHTF for the Worcester Boys Club project. The presentation provided an overview of the project location, existing conditions, renderings of the proposed project, project plans, and the redevelopment proposal.

Ms. Thorpe sought clarification about the proposed ADA accessible units, and Mr. O'Brien confirmed that nine (9) units are currently shown in the plans, with two (2) additional ADA accessible units to be included in revised plans to increase the percentage of ADA units from 11 percent to 13.75 percent in the proposed redevelopment project.

Ms. Kuffour inquired about the needs of seniors being addressed in the proposed complex. Mr. O'Brien described WinnCompanies' experience with serving and engaging with seniors that reside in their properties.

Mr. Brooks sought confirmation that the proposed project timeline includes a completion date in 2025 and not 2023 as indicated in the PowerPoint, and Mr. O'Brien confirmed the June 2025 completion date with stabilized occupancy by September 2025.

Mr. Brooks inquired about the tenant selection plan. Mr. Nguyen described how the project would be managed by WinnResidential, which has experience with the leasing process and requirements for affordable housing as well as compliance with state and federal guidelines. Staff are required to complete fair housing training annually. Mr. Brooks also asked about community engagement and any connections with the Senior Center or Elder Services. Mr. O'Brien responded that Winn has presented the project to the public and agreed to make public spaces in the proposed redevelopment available to the community – this component of the project will be formalized by Winn's Connected Communities as the project gets closer to reality. Mr. Brooks further inquired about the applicant's plans to engage with Minority and Women-owned Business Enterprises (MWBE). Mr. O'Brien responded that they are working with Cutler Associates, a Worcester-based design-build firm, and they will work with them to make sure that 50 percent of subcontractors are located within 30 miles of the project site. Mr. Nguyen elaborated that the MA Department of Housing and Community Development (DHCD) requires an MWBE hiring plan as part of the One Stop application process, so the applicant will be going through that exercise and will share the plan with the AHTF.

Ms. Kuffour asked the applicant about maintenance of the front façade of the Boys Club. Mr. O'Brien stated that it will be retained, and the City will be revitalizing the entire WWI memorial along with the greenscape in front. WinnCompanies will be required to maintain that space once construction is complete.

Ms. Hampton Dance inquired about the resident application process. Mr. O'Brien responded that they will follow all rules and regulations, and cited their process for the American Optical project in Southbridge. In addition, it will likely be a lottery because of the anticipated demand. Pre-leasing will begin approximately four months prior to the building opening up, and it will be a well-advertised process. Ms. Hampton Dance further inquired about the final name for the project, and Mr. O'Brien responded that it is not known yet but will be determined through a process that involves community engagement.

Mr. Rodriguez inquired about whether or not there will be a local preference for residents. Mr. O'Brien responded that this has come up more frequently, and it is a reasonable request to give Worcester residents the first preference in the tenant selection plan.

Mr. Restrepo asked if the applicant had any concerns about the timing for historic tax credits. Mr. O'Brien responded that because of Winn's history and familiarity working with the historic tax credit programs, they are confident that they can work with them to make the project viable as proposed. Mr. Restrepo further inquired about parking for residents. Mr. O'Brien responded that there is parking on the ground level of Build B as well as a parking agreement with the City of Worcester for parking spaces at the Highland Street public parking lot. The applicant is also in conversation with nearby property owners about using parking spaces for residents. As a senior

resident development, one space per unit is the typical requirement, though zoning for the location does not require any parking. Mr. Nguyen added that they are including two EV charging stations in the project.

Ms. DeJesus inquired about process for deciding which units are restricted to 60 percent AMI and 30 percent AMI. Mr. O'Brien responded that the units will be mixed within the building per rules and regulations. Accessible units are determined based on location with the building and proximity to amenities.

Chairman Agudelo-Ortiz asked about the vision for making the building accessible. Mr. O'Brien reviewed the Building B site plan and noted that they will follow ADA requirements and make all necessary structural modifications to meet the needs of people with disabilities. Mr. Nguyen added that the ramp system was designed to maximize accessibility to public spaces and the WWI memorial. Chairman Agudelo-Ortiz inquired about the distribution of ADA units within the buildings. Mr. O'Brien responded that the units are disbursed as equally as possible given limitations related to proximity to access points. Chairman Agudelo-Ortiz further inquired about the types of units that will be ADA accessible, and Mr. Nguyen stated that they will primarily be studio and one-bedroom units.

Ms. Kuffour asked about transportation services that may be included in the proposed redevelopment. Mr. O'Brien responded that they would work with local services providers to offer transportation and health and wellness services through their Connected Communities program.

Ms. Tozer thanked the applicant for presenting and noted that the Board of Trustees will receive a follow up email with the scoring matrix to review and score the application for the following meeting, at which time the Board of Trustees will be able to take a vote regarding funding for the proposed Boys Club project.

Mr. Brooks made a motion to place the application for the Worcester Boys Club sponsored by WinnDevelopment on the December 14, 2022, Affordable Housing Trust Fund agenda to review Trustees' scoring of the project and vote on a recommendation of funding. The motion was seconded by Mr. Krikorian. The motion was approved 9-0 on a roll call.

5. Approval of AHTF Account Structure

Ms. Tozer explained that Massachusetts General Law imbues the Affordable Housing Trust Fund board with the power to make investments with the Trust Fund dollars, and the agenda item is intended to seek the Board's approval of the account structure for the initial \$15 million ARPA allocation. She elaborated that based on discussions with the City's Department of Administration and Finance, staff are recommending that the housing trust funds be kept in a standard interest-bearing municipal account rather than being invested, which is less risky and will keep the funds more liquid as well as minimize transaction costs as funds are expended. Given the risk and uncertainty associated with investing the funds, the proposed account structure will ensure that the investment value of the federal funds is not diminished.

Chairman Agudelo-Ortiz commented that the ARPA funds have a number of strings attached and the funds must be spent, so the proposed account structure makes sense. Mr. Brooks followed up, noting that the Board could vote in the future to change where the funds are kept.

Chairman Agudelo-Ortiz inquired about the treatment of funds received through other revenue streams, and if the Board could decide to invest those to grow the fund. Ms. Tozer responded affirmatively, noting that Community Preservation Act funds are required to be maintained separately.

Ms. Hampton Dance asked for clarification about whether the initial allocation of ARPA funds will receive interest. Ms. Tozer responded affirmatively, noting that the funds will be kept in an interest-bearing account that will generate minimal interest as compared with riskier investment accounts. Chairman Agudelo-Ortiz further noted that the case to be made for housing the trust funds in the standard account will eliminate the potential for a loss of funds.

Mr. Brooks made a motion to place the ARPA-related funds for the Affordable Housing Trust Fund in a standard interest-bearing municipal account. Mr. Krikorian seconded the motion. The motion was approved 9-0 on a roll call.

6. Update on the Worcester Inclusionary Zoning Ordinance

Ms. Tozer introduced agenda items 6 and 7 by noting that she would provide a brief update on two matters that are relevant to the AHTF Board of Trustees. She explained that the Planning Board had voted on November 9, 2022, to recommend an Inclusionary Zoning (IZ) policy to the City Council that is intended to bring more affordable housing to the city. The draft proposed ordinance would require residential development projects with 12 or more units to include at least 15 percent of the units restricted to households at or below 80 percent of the area median income (AMI), or 10 percent of the units restricted to households at or below 60 percent of the AMI, or a combination thereof. The draft ordinance also includes a Payment in Lieu option, and as currently written, an applicant may elect to make a payment equal to 3 percent of the total construction value of all building permits for the development, including trade permits. If the IZ ordinance is adopted, these payments will help continue the capitalization of the trust fund after the initial ARPA allocation expires.

Ms. Kuffour inquired about when the IZ policy would be finalized. Mr. Brooks responded that the draft ordinance has to go through a few more processes. It came out of the Planning Board the prior week and goes back to the City Council to be referred to the Economic Development Committee for a public hearing. After that it will go to the City Council for a final vote, which likely places its adoption in January or February 2023. Ms. Kuffour also asked about whether the IZ policy is considering Worcester's Age Friendly Policy. Mr. Brooks responded that there are currently no specific policies or guidance related to the Age Friendly Policy, but there are considerations for universal accessibility. Ms. Tozer added that a similar question came up at the Planning Board hearing for the IZ policy, and an Assistant City Solicitor noted that accessibility requirements fall under the Building Code rather than zoning.

7. Update on the Community Preservation Act

Ms. Tozer provided an update regarding the Community Preservation Act (CPA). In the November 2022 election, Worcester residents voted to establish a fund through the CPA that will be used for affordable housing as well as open space protection, historic preservation, and outdoor recreation. The CPA will generate revenue through a 1.5 percent surcharge on the annual property tax on property value above \$100,000 beginning in July 2023. She noted that the CPA is relevant to the Board because the CPA law states specifically in Section 5(f) that “A city or town may appropriate money in any year from the Community Preservation Fund to an affordable housing trust fund.” Therefore, the CPA funding may be another sustainable source of revenue for the AHTF. In terms of next steps, the City will create a local Community Preservation Committee, and this board will make recommendations on CPA projects, including affordable housing.

Chairman Agudelo-Ortiz inquired if there would be any crossover between the AHTF Board and the Community Preservation Committee. Ms. Tozer responded that the Community Preservation Committee will be independent, and based on state law, any CPA funds transferred to the AHTF will require a grant agreement.

8. Potential future agenda items

No additional agenda items were put forward.

9. Adjournment

There being no further business, Chairman Agudelo-Ortiz made a motion to adjourn the November 16, 2022, AHTF Board of Trustees meeting. The motion passed on a voice vote and the meeting adjourned at 6:41 PM.