# COMMUNITY PRESERVATION COMMITTEE RECORD OF MINUTES AND PROCEEDINGS MAY 7, 2009 MINUTES

**PRESENT:** Walter Flynn, Chairman

Arthur Mathews, Vice Chairman

Stephen Ford Dan Condon

James Cunningham Scott Coven, Clerk Christopher Hannan Laura Harbottle

ALSO PRESENT: Robert Luongo, Economic Development Planner

**RECORDING SECRETARY:** Christine Callbeck

Chairman Flynn called the meeting to order at 7:00PM.

## **Discussion and Action on Cemetery Commission Proposal**

Mr. Hannan asked Ms. Cicchese, Chairman of the Cemetery Commission, who will train the people to work on the headstones. Ms. Cicchese stated that part of the costs included in the proposal is the hiring of a cemetery worker and to train that person to make repairs. Mr. Ford asked if a person has been hired as yet for the job. Ms. Cicchese stated no, the job is still out to bid. The project will take years to do. This is a part-time job and depends on cooperative weather. The work cannot be done in inclement or cold weather.

Ms. Cicchese stated that all the start-up work for the design and contingency fees is included in the first project and they shouldn't be required for the remaining cemeteries.

Mr. Hannan asked why there is a fluctuation in the cost of repairing certain stones. Ms. Cicchese indicated that some stones are in more disrepair than others. Mr. Hannan asked how long does the epoxy or cement last. Ms. Cicchese stated that she does not have an answer, but can come back with more information on that. Ms. Cicchese stated that this "work" is a first in most of the surrounding municipalities.

Mr. Mathews stated that he supports the idea and would like to see the CPC fund both cemeteries, but not now. Mr. Mathews stated that he does not like the year-to-year approach. Mr. Mathews would like to see one cemetery done in total and paid in full first, then come back for the second cemetery. What is the total price for Reed Cemetery? Chairman Flynn asked how long to get Reed Cemetery done. Ms. Cicchese stated two years to get one cemetery completed because of the limited time available to work on the headstones.

Chairman Flynn stated that it would appear that \$80,325 completes Reed Cemetery in two years. Any funds left over go back to the CPC to fund Elmwood Cemetery. Reed Cemetery total costs include:

Repair stone		\$53,825
Administrative construction costs	\$7,250 x 2 yrs.	\$14,500
Design		\$8,000
Contingency		\$4,000
Construction		<u>\$14,000</u>
Grand Total		\$80,325

Ms. Harbottle asked if there were other bids. Ms. Cicchese stated no, this is a general estimate with recommendations per stone provided by a consultant. Ms. Harbottle asked what the incentive for the work is. Ms. Cicchese stated it would be someone who wants to get into this field of work. The consultant hired to give the estimate of costs teaches this type of work to students.

Mr. Mathews asked if there is any detriment in completing one cemetery only. Ms. Cicchese stated that the headstones have waited this long, the stones can wait one more year. Mr. Mathews explained how funds are decreasing all the time and he does not want to fund the project halfway. Ms. Cicchese stated that it would be nice to finish one cemetery and come back for more funds with the proof of the good work.

Mr. Ford asked when the Cemetery Commission wants the work to begin. Ms. Cicchese stated now. This is the right time of year to be working in the cemetery.

Mr. Coven stated that he supports the landscape work only. Mr. Coven does not support the project, and feels that the proposed work on the headstones is extensive. Mr. Coven would support a smaller project regarding landscaping. Ms. Cicchese stated that they get volunteers to do the landscaping. All the information about the headstones and the proposed repairs to be made to them is available to the public.

Mr. Mathews made a MOTION to APPROVE the Reed Cemetery Improvement Project in the amount of \$80,325 to be taken from the Unspecified Fund Balance account. Mr. Ford SECONDED the MOTION. Motion passed on a 6-2 vote. Mr. Coven and Ms. Harbottle voted no.

## Discussion and Action on Tammy Brook Apartments Proposal

Present and representing Beacon Communities are Darcy Jameson and Mark Epker.

Tammy Brook Apartments will be a mixed-income development for households at various income levels – market rate, 80% AMI and below 50% AMI. Ms. Jameson summarized the income limits for households at Tammy Brook with several examples: the income limit for a family of 4 earning up to 80% of AMI would be \$72,160 based on the current income guidelines

published the Department of Housing and Urban Development (HUD). The maximum income for a 2 person household at 50% AMI is \$36,100.

Mr. Ford asked, for the persons under 50% AMI, what is the rent cost? Ms. Jameson explained that under the Federal and State housing program requirements, the rent is commonly set at 30% of the gross household income based on the unit size (number of bedrooms) and area median income. The rent for a 2-bedroom unit would be set based on 30% of 80% for a 3-person household. Ms. Jameson stated that households with Section 8 vouchers pay 30% of their income in rent and the balance is paid by HUD.

Ms. Jameson explained that the Tammy Brook Apartment community is an "expiring use" community. In June 2009, the owner is no longer required to maintain the units as affordable for the residents. Because the affordability requirements are expiring, the current owner is working with HUD and the Weymouth Housing Authority to ensure that all income-eligible residents will receive Section 8 Enhanced Vouchers so that they can afford to pay the new rent. The current owner and HUD are working together to protect the existing residents from being displaced. Income-eligible residents can take the vouchers with them to another apartment when they leave Tammy Brook. Beacon is committed to maintaining the affordability at Tammy Brook Apartments. As part of the acquisition, Beacon will create a mixed-income community and preserve the affordability. Ms. Jameson stated there will be a Project-based Section 8 Contract that is administered by HUD and the Weymouth Housing Authority for 24 units. These units will be available to households earning up to 50% AMI. The Section 8 program requires that residents pays 30% of their income and HUD pays the balance of the rent to the owner. In addition, 41 units will be affordable to households earning up to 80% of the area median income. Rent is set at 30% of 80% of the area median income based on the unit size. Under this program units must be affordable for someone making up to 80% of AMI and still pay 30% of rent. The tenant is responsible for all of the rent with no other subsidy.

Mr. Mathews asked when the closing date on the Purchase and Sale Agreement is. Mr. Epker stated July, 2009 with two 30-day extensions that brings it to September, 2009. Mr. Mathews stated that the HOME grant funds are available as of July 1, 2009. Mr. Luongo stated that there would be less than \$200,000 available in HOME funds after 10% of the allocation was set aside for Administration, 15% set aside to CHDO organizations, and \$20,000 set aside for First Time Homebuyers leaving a a balance of approximately \$128,000.

Mr. Luongo stated that the staff spoke with the Mayor on this project and the Mayor feels very comfortable with allocating \$100,000 to this project from HOME and \$150,000 from the CPC to make up the \$250,000.

Mr. Mathews stated that he is a fan of preserving community housing and affordable housing in Weymouth, however, he has a dilemma; he does not want to go over the 10% set aside. Mr. Mathews was hoping for \$125,000 from CPC and \$125,000 from HOME. If CPC does the \$150,000, things will be very tight until July 1, 2009.

Mr. Hannan asked if it is possible that a lesser amount from the CPC can still make the project work. Ms. Jameson stated that it is not an absolute. Beacon Communities has asked the State for \$2.6 million and the State likes to see a 10% contribution from the Town.

Mr. Condon asked how Beacon Communities utilizes tax credits. Mr. Epker stated that they have a finance department that talks with buyers and they feel comfortable about the positive feedback from groups that will buy. Mr. Condon asked is Beacon Communities a developer and a property manager. Mr. Epker answered yes, Beacon Communities manages 9,000 apartment complexes that they have acquired and now manage. Mr. Condon asked how much funding Beacon Communities is putting into the project itself. Mr. Epker stated that developers do not put a lot of their own equity into the transactions, instead they guarantee. Ms. Jameson stated that Beacon has a compliance department and is audited annually.

Mr. Condon stated that the P&S lists \$2.2 million in developer soft costs, what is that? Mr. Epker stated it is items such as legal, architect, environment reports and fees for finance. Mr. Condon asked about the developer fee of \$1.1 million. Mr. Epker stated that fee pays for the equity that they put up for the deposits, costs related to the process, overhead, etc. Mr. Condon wondered if Beacon Communities would reduce their developer fee and request less from this Committee. Mr. Jameson stated that it would be challenging in theory.

Ms. Harbottle asked about the number of projects that Beacon has managed and developed in Massachusetts. Mr. Epker stated that the company started in 1940 and has been into residential development since 1960. It currently owns and manages 9,000 apartment complexes. Within the last 5 years, it has developed and acquired 3,000 of those aforementioned 9,000. Beacon is working on 30 different projects all along the Atlantic Coast with 2,500-3,000 units in Massachusetts only. Beacon has 350 employees that manage the units.

Mr. Ford asked if they could list any local units. Ms. Jameson stated Woodlands at Abington Station in Abington, MA; Walkover, in Brockton, MA; Chatham West I and II, in Brockton, MA; and one large industrial building in Haverhill with 170 units.

Mr. Ford stated that Tammy Brook has been well kept and wants to make sure it is well kept in the future.

Mr. Coven asked if there is any way to increase the number of units to those who earn under 60%. Mr. Coven is not convinced that the way affordable housing is set up truly helps those in need. Mr. Coven cannot support this project when not many are truly affordable.

Mr. Luongo stated that he would like to address Mr. Coven's issue. It is a noble idea but, it has been the Town's position that it is dangerous when you get lots of residents under AMI in one location. It breeds crime and other problems. The best idea is for a mixed income community. This is a social policy point of view. Mr. Luongo further stated that this Town does not want to have 80-90 units at 100% low income.

Mr. Cunningham stated that he agrees with Mr. Luongo. When a group is integrated, then they take care of the property and help to maintain it. The idea of low income housing is to make

them feel part of society and give them role models to work their way up and move into their own house. This makes more sense in the broad spectrum of socialization.

Mr. Luongo stated that according to his calculations, funds are available within the 10% set aside for affordable housing.:

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FY 06 $46,507

FY 07 $94,679

FY 08 $103,527

FY 09 $87,742

$332,455 total set aside

- $125,000 neighborhood housing

Balance $207,455
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Mr. Mathews made a MOTION to APPROVE the application for Beacon Communities in the amount of \$150,000 from Mandatory Set Aside for Community Housing. Mr. Cunningham SECONDED the MOTION. Discussion:

Mr. Mathews stated that as part of the CPA, 10% must go to affordable housing and he likes to preserve current affordable housing in Weymouth.

Mr. Condon wants to maintain affordable housing stock that exists in Weymouth right now. Mr. Condon feels that Beacon Communities will be using over \$3.3 million in public funds for the cost to cover this purchase and given these extraordinary economic times that Beacon could assume more of a risk.

MOTION passed on a 7-1 vote. Mr. Coven voted no.

#### **NEXT MEETING**

The next meeting will be held on June 4, 2009 at 7:00PM at the Whipple Center.

#### **ADJOURNMENT**

At 8:25PM, there being no further business, a MOTION was made by Mr. Mathews to ADJOURN and SECONDED by Mr. Ford. UNANIMOUSLY VOTED.

Approved by:		
•	Walter H. Flynn, Jr., Chairman	
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Dated:		