



Town of Wayland Massachusetts

Members: Christine DeBona
Anthony Boschetto
Jerome Heller
Daniel Hill
Robert Morrison
Rebecca Stanizzi
William Steinberg
William Sterling
Michael Wegerbauer

River's Edge Advisory Committee ("REAC") Meeting Minutes for Meeting of October 30, 2014

In attendance: Heller, Hill, Morrison, Stanizzi, Steinberg, Sterling, DiBona, Wegerbauer. Absent: Boschetto

The meeting was called to order at 7:00 PM in the Board of Selectmen's conference room of the Wayland Town Building.

I. Public Comment

None.

II. Review of 10/21/14 Meeting Minutes

No edits from the draft. Approved by unanimous vote.

III. Executive Session

Mr. Heller made a motion to enter into Executive Session to review the Exec. Session minutes from 10/21/14. Mr. Steinberg seconded and the roll call vote was: Heller: Yes; Hill: Yes; Morrison: Yes; Stanizzi: Yes; Steinberg: Yes; Sterling: Yes; DiBona: Yes; Wegerbauer: Yes.

IV. Resume Open Meeting

Resumed at 7:30 PM.

V. New Business

A. *Review Role of Special Counsel and DPW Director.*

Stanizzi briefly discussed funding for special counsel. The group discussed what role the new DPW director would play in this process. Hopefully special counsel will be retained by BOS at their meeting on Monday.

B. *Touring Similar Facilities in other Towns*

There was a discussion of upcoming tours of similar facilities. Stanizzi said it was helpful get inside the buildings and see the interior of units and common areas. Discussion of touring in November. The group discussed visiting the Mews in Concord. Steinberg said the places we visit should reflect what we're likely to build at Rivers Edge, in terms of range of affordability, age-restriction, etc.. Avalon Natick may not reflect our architectural goals, but is a high-end apartment community with affordable housing. Schulman House was discussed, as was the Coolidge in Sudbury (100% affordable and 100% age-restricted). Heller thinks we should look at 3 properties. The Committee agreed to tour Concord Mews, Schulman Framingham, and Avalon Natick. Tours will be on 11/22/14 starting at Town Hall at 9AM.

C. *Meeting with Ed Marchant*

Stanizzi stated that the BOS likes the idea of having an outside consultant.

Ed Marchant joined the meeting at 7:35. Marchant is an experienced housing advisor for ZBA's and developers around Massachusetts, and an adjunct professor at the Harvard Kennedy School on real estate. He has worked extensively in the private sector for developers.

1. *Overall Impressions*

Marchant stated that the 10-year Treasury note lending rate has increased over the last year. It's an index that is used by the real estate market. Marchant says that multifamily house (MF) is a safe investment and therefore desirable to investors. Market demand is still good, but construction costs have gone up. Our location in Wayland and the fact that this project will not be structured as a Chapter 40B project will make this attractive to developers. Developers would rather not do cost certification and comply with dividend limitation requirements.

2. *Changes to the Market*

Recent comps after his prior report: Mill Creek was a fully-permitted LIP 40B - Price for land with entitlements was \$36,500 per unit. \$47,000/unit paid by Mill Creek in Natick for entitled land. Wood Partners in Melrose paid \$50,000/unit for 94 units. 222-unit permitted site in Andover sold for \$54,500/unit, also to Wood Partners. Marchant is comfortable with the demand for a project in the range of 150-190 units. Treatment plant is a \$1.5M expense, so more units the better to absorb that cost. Ed's range - \$33K - \$38K from his study from last year.

Recommend that we build in flexibility in our RFP. National investors like the metro Boston market. CRA credits are a plus.

3. *Age-Restriction Quandaries*

Marchant says that age restriction on a project is perceived as a risky investment. There is a concern with higher than average turnover. Active-adult communities mitigate this, they have lower turnover than generic adult community. In general, age restricted housing would be harder sell. You might have 2 developers – one for the age-restricted component, another for the non-restricted component. Lincoln Commons went bust, and Benchmark came in and took over. Waterstone project in Wellesley is a good model - meals, transportation, etc. – “enhancements” (National Development was developer). Schulman House is also like that, with enhancements. Marchant really likes it. Good “spirit.”

4. *Non-Profit Developer v. For-Profit Developer*

Possible Nonprofits who might be interested: TCB, POAH, Planning Office for Urban Affairs. Nonprofits would likely use tax credits or bonds – they have easier time accessing subsidies. For-profit developers generally don't want to deal with tax credits and regulatory burdens. Volunteers of America is another good nonprofit.

There is a maximum allocation of \$1M for tax credit projects. Projects need to be “shovel ready.” The rules allow for only one allocation per company, per round, so you want to be a priority to that company if they have multiple projects in the pipeline. Tax credit – 20% at 50% of AMI, or 40% at 60% of AMI. 9% tax credits - 10% of units have to be at 30% AMI.

TCB project in JP Center Street has age-restricted and LIHTC on one property.

5. *Misc. Issues*

Marchant: “Set the table” as much as you can with permitting. Stanizzi says it's helpful to developers to know what the Town wants – design guidelines.

Marchant: Concerning marketing our RFP – there's not many firms that develop these kinds of projects – develop the list of potential suitors, and send out RFP to them.

Marchant: Re: tax revenue – biggest variable in tax assessment is what capitalization rate is used in the income-approach appraisal of value. Developers will factor in what they figure their taxes will be, with all their other costs, and come up with a residual land value.

VI. Next REAC Meeting Agenda

Committee agreed that new counsel will attend next meeting to discuss scope of services and next steps. Meeting is 11/13/14 at 7:00 PM.

Meeting adjourned at 9:15 PM. Steinberg moved, seconded by Wegerbauer.

Handouts: Agenda of tonight's meeting.

Respectfully Submitted,
Daniel C. Hill