



White Cliffs Estate Redevelopment Proposal

Responses to Questions Received During Northborough Select Board Meeting March 13th, 2023

1. Forecast the traffic impact from the development.

Following designation of Metro West CD as Northborough's developer of choice for White Cliffs by Town Meeting vote, a traffic study will be an early due diligence item commissioned as part of the zoning approvals process with the Northborough Zoning Board of Appeals. Consideration of the results of the study is often an important part of the ZBA's review, and ensuring the safe flow of traffic in and around White Cliffs would be a top priority for Metro West CD as long-term steward of the site.

a. Is MWCD willing to invest in a traffic study prior to being selected as developer?

We must have site control to access the pre-development funding necessary to pay for the study and other due diligence costs. For context, the traffic study completed last year by Metro West CD as part of the West Newton Armory zoning approvals cost \$23,000.

2. Forecast the number of school aged children living at the development.

According to a study published by the Metropolitan Area Planning Council (MAPC) in 2017, titled *The Waning Influence of Housing Production of Public-School Enrollment in Massachusetts*, "at the district level, we observe no meaningful correlation between housing production rates and enrollment growth over a six-year period." Supporting this conclusion, data published by the MA Dept. of Elementary and Secondary Education (DESE) shows that Northborough school district enrollment dropped from 1,896 students in 2009 to 1,587 students in 2019, despite the 385-unit Avalon Bay project having been completed during that time.

While it is impossible to predict with certainty, for guidance we considered data on school-aged children living at three existing affordable housing developments located in Sudbury, Maynard, and Medway. The number of children ranged from 0.24 to 0.50 per two-bedroom unit, and 0.65 to 1.6 per three-bedroom unit. Using this range would forecast approximately 12 to 28 school aged children moving into Northborough for this development.

It is important to note that occupancy regulations for affordable rental housing prohibit children from living in one-bedroom units. That reduces the population of school aged children by at least the 17 one-bedroom units proposed for White Cliffs and means families would occupy at most 35 units. A percentage of the units could be prioritized for qualifying Northborough based residents and employees under a Local Preference negotiated with the town. When local Northborough residents move to the proposed



housing at White Cliffs, there will be no net increase in the number of students in the local schools.

a. How many school-aged children live in similar MWCD developments?

Our Glen Brook Way Apartments development, which is 48-units of family rental housing, has brought 13 school aged children (ages 5 to 18) to Medway. Excluding local preference units, the breakdown was 0.4 children per two-bedroom unit and 1.0 children per three-bedroom unit. Applying these ratios to the unit mix at White Cliffs would predict 19 school aged children moving to Northborough.

b. Can MWCD forecast the age (elementary vs. middle/high school) of school-age children that will live at White Cliffs?

We do not feel we can accurately predict the age of potential future residents.

3. Can the project be senior only?

The value of an intergenerational development is that it maximizes the housing options created for the community by a single project. Land is the limiting factor in housing production, and there is no guarantee another opportunity like this will present itself. While there is undoubtedly need for more housing affordable to senior residents, especially those living on a fixed income and therefore most at risk of being priced out due to inflation, the same is true for families and individuals of all ages living in Northborough and throughout the Commonwealth.

Additional factors in favor of the intergenerational approach are that all else equal, since senior housing is almost entirely one-bedroom units which have lower rents than two-and-three-bedrooms units, they often need a higher unit count to be economically viable. There is also a risk that restricting residents to a particular demographic (ie. seniors) will cause demand to fall short of expectations.

While our proposal is not restricted to seniors, it will be designed to be appropriate for seniors with enhanced accessibility and adaptability features for senior households who may have mobility or sensory limitations, and/or who want to age in place.

a. Can the historic house units be senior only?

The ability to age in place as mobility decreases is key to a successful senior housing development. The improvements required to achieve the appropriate level of accessibility for senior units would be easier to achieve, and require fewer compromises, as part of the design for the new construction building rather than the historic renovation.

4. Can MWCD comment on the operational cost to operate and maintain the property?



Metro West CD anticipates spending approximately \$600,000 on operating expenses at White Cliffs in Year One, with that amount growing at 3% per annum. This figure was based on the cost of operating our existing portfolio and experience working with Maloney Properties. Ensuring appropriate budgeting for the successful operations of the property over the long term is a key priority for Metro West CD and our lenders.

5. How is affordable housing assessed for property value and real estate taxes?

Deed restricted affordable housing is assessed for property taxes using the income-approach to valuation. In this method the income generated by the property, which is necessarily below market for a similar unencumbered property due to the deed restriction, is divided by a capitalization rate, which is a percentage representing the one-year expected yield generated by a property class based on market conditions.

For example, if a property had income of \$350,000, and the capitalization rate was 10%, then the value of that property using the income-approach would be \$3,500,000. Property taxes would then be calculated on this value using Northborough's residential tax rate.

6. How would residents be selected? (referenced 70% local preference)

The tenant selection process for subsidized affordable housing units in Massachusetts is carefully monitored by the MA Dept. of Housing and Community Development (DHCD) and must be laid out in detail for their review and approval prior to the issuance of State funds for the project.

The process begins with affirmative and general marketing roughly six months prior to the completion of construction. Paid print advertisements in local and regional newspapers, direct mailings to affordable housing advocacy groups and agencies, and postings about vacancies on websites such as the Massachusetts Housing Navigator are all methods used. In addition to these outreach efforts, Maloney Properties will often host in-person information sessions for potential tenants.

All potential tenants must submit a pre-application form that identifies their household make-up, housing needs, income, and other general demographic information. The pre-application is an on-line application available at the Maloney Properties website, though paper applications would likely be made available at the Northborough Town Hall and the Northborough Free Library. Staff would also be available to assist applicants with the on-line application both in person and over the phone.

All households who submit a complete pre-application and are deemed to be preliminarily eligible shall be entered into the Lottery Pool or Pools for which they are eligible.



If so desired, Metro West CD will work with the town to include a Local Preference lottery pool at initial lease-up, subject to approval by DHCD. To qualify for this pool, typically at least one household member must be currently residing in Northborough, employed by the Town of Northborough or a company or organization located in Northborough, or have a child enrolled in the municipality's schools. Currently, the maximum local preference allowed is 70%.

7. How would Northborough residents use the public space in the mansion?

Northborough residents and organizations would be able to reserve the first floor of the White Cliffs mansion at no cost for events and gatherings similar in scale to those hosted at the Meeting Room in the Northborough Free Library. Metro West CD's third-party property manager would manage the reservation portal and access to the space. Visitors would be responsible for cleaning the space after events. We would aim to make the reservable space available to the public with the greatest possible frequency.

8. Will there be blasting because of ledge and would MWCD offer pre-blast surveys to neighbors?

After selection, and as part of due diligence, we would perform a geotechnical conditions survey to identify significant soil conditions on site, including the existence of ledge. If the geotechnical engineer recommends surveying the surrounding buildings due to the potential for disturbance, we will include such surveys in our general contractor's scope of work.

9. Is the project feasible if \$472,000 of the \$800,000 CPA funds are held back for Affordable Housing Corp and not included in White Cliffs project?

Based on our experience and the unique nature of the site and the complexities of the preservation of the historic mansion, we do expect the full \$800,000 contribution of Community Preservation funds would be required to make this project financially feasible.