

Norwell Community Housing Trust
Approved Meeting Minutes
2/6/18

Present: Peter Shea, Gregg McBride, Liz Hibbard, Pat Richardson, Andy Reardon, Rob Charest, Brian D'Souza

The meeting was called to order at 7:05pm by Chair Peter Shea.

*Motion; made by Andy Reardon, seconded by Liz Hibbard, to accept the agenda as written.
Unanimously voted*

40 River Street Project Update

Ms. Hibbard updated Trust members on the conference call with Metro West (Jennifer Van Campen) and Curtis Construction. Curtis and Metro West were charged with paring down the current budget by 50 to 75K, perhaps by broadening the scope of subcontractors to help with the costs. Mr. McBride summarized his review of the geotechnical report for the project site; there is silt and boulders instead of compacted soil. Contractors have suggested pulling out the current substructure and filling the excavation with building material. No other good options are available as there is asbestos in the floor tiles as well as the joint compound on the wallboard. The Town needs to get the lowest bid for this work and compare it with the quote from Metro West. Hopefully they will return with good news. All discussed strategy to solve the funding gap. Some options include:

1. Asking DHCD for additional funding with reference to the hazmat materials since they have a vested interest. However, there is also DHCD's expectation that all parties will step up for additional cost coverage. Ms. Van Campen needs to have a conversation with them before the Trust will consider any more Town funding. All discussed the need for a strategy before considering any more funding, perhaps a land lease instead of giving the land to the project as a gift.
 2. Defer a portion of the developer fee. Ms. Van Campen said no. All agreed that this conversation should be reopened with her for more buy-in to the project.
 3. Maybe 50% of the NOI would come back to the Town to help recoup some of the expenses.
 4. Mr. McBride met with Town Administrator Peter Morin to discuss the PILOT program. The proposed number should be in the range of 9-38K. All discussed the Trust increasing their contribution to help fund the gap. Ms. Hibbard touched base with Nina Schwarzchild about this issue. Ms. Schwarzchild will reach out to the project financial consultant Dan Violi for next steps.
 5. All agreed that the Trust needs to come up with ways to structure this project so that it makes sense. The Town will have to put more money in so that DHCD will also give more. Ms. Hibbard offered some options to consider.
 6. She will ask Ms. Van Campen for a new pro forma and a new development schedule.
- All discussed different PILOT and income/cash flow scenarios. One option is a shared cash flow agreement, but more than 25% of the cash flow would be difficult. A possible option for the PILOT program would be a 9K payment and 5K from the NOI for a total PILOT payment of 14K. This is midrange and where Mr. Morin would like the number to be.

All discussed more funding options for the Town, Metro West and DHCD. Per Mr. Charest, 400K is a fairly small problem for DHCD and could perhaps be solved with a 3 or 4 way split; Metro West 50K, Curtis 50K, DHCD 150K and the Town 150. The PILOT program/shared cash flow could be presented as an option at Town Meeting.

Mr. McBride will follow up with Mr. Morin re: the state contractor list to see if someone else could do the demo work other than Metro West. NEPA approval is required before any work begins on the property because of the subsidized units.

Could the Town do this work before the land is transferred to Metro West? Mr. McBride will get quotes and come back to the Trust. Mr. Charest will talk to NEPA. Some board members might want to consider attending the meeting at DHCD with Ms. Van Campen. Construction contingency - questions were asked and answered about the "waterfall priority" for any cost savings. Ms. Hibbard asked Ms. Van Campen about considering other grants like the Charles Bank Home Grant Program.

Pending; the Trust is comfortable increasing their contribution to some number along with a PILOT plan and cash flow. It was suggested that Ms. Schwarzschild accompany Ms. Van Campen to DHCD for any ask for additional funding. Get Dan Violi more involved. All discussed the grant amount on the DHCD award letter and how to approach the head of DHCD with questions.

Next Steps;

1. Updated Curtis construction numbers
2. Conversation with Ms. Van Campen about what the town is willing to give
3. Decide on the approach to meet with DHCD about additional funding and coaching for Ms. Van Campen

Discussion continued about a project total that the Trust is willing to fund, perhaps 1.24M. The Town could consider doing the building demo for 60K, making the project total contribution 1.3M. Once the revised numbers from Curtis are available the Trust will consider how much more to fund. A good number is looking like 100K, which would include 60K of demo costs absorbed by the Town.

Motion; made by Andy Reardon, seconded by Gregg McBride, that due to unanticipated site conditions at 40 River Street, the Town will evaluate and underwrite the cost of demolishing the building, and the Trust will increase its contribution to a total of 1.24M. Unanimously voted

To Do List

1. Ms. Hibbard will inform Ms. Schwarzschild, get her OK and then talk to Mr. Violi. Mr. Shea will call Ms. Van Campen for updated construction numbers and a revised timeline.
2. To Come; the name of the attorney assigned from DHCD, Commitment letter from Eastern Bank for financing
3. Set up meeting with Ms. Van Campen, small working group.
4. Maybe touch base with Curtis about the demo before having the Town do it. Mention the demo option to Ms. Van Campen. State to her that, per the Trust consensus, value engineering cost reductions are off the table. Interior components should stay as is.
5. Demo option to present at Town Meeting is a large part of the whole presentation for the PILOT program.

Wildcat Update

Mr. McBride has touched base with Wyly Brown a few times. Perhaps the Trust could authorize a lesser scope and he could come up with some design concepts for about 10K, working with Merrill Engineering for 5 to 6K. This would be instrumental in AH planning for the Town.

Motion; made by Andy Reardon, seconded by Liz Hibbard, to authorize Gregg McBride to renegotiate a lesser scope with lbg architects of not more than 16K for a preliminary concept for the Wildcat property. Unanimously voted

Adjournment

Motion; made by Gregg McBride, seconded by Pat Richardson, to adjourn at 8:45pm. Unanimously voted