



EAST PROVIDENCE WATERFRONT DISTRICT COMMISSION

Hearing Panel Meeting Minutes August 23, 2017

Attendees: Steven Hardcastle, Chair
William Fazioli
Paul Moura (arrived at 6:45 PM)
Jay Kern
Peter Willey

Members absent: none

Staff: Pamela M. Sherrill, AICP, Executive Director

The meeting was called to order at 6:09 PM.

Chairman's opening remarks- Mr. Hardcastle welcomed everyone to the meeting.

A. New Business - Public hearing

A. VOTE: On a request to reduce the number of on-site affordable housing units in apartment buildings from 5% with 5% in-lieu payment to 10% in-lieu with no on-site affordable units required at:

- 2-10 & 26-38 Captain John Jacobs Rd, Assessor's Map 209, Block 3, Parcel 1 – Proposed two four-story 45-unit apartment buildings (Buildings 1 and 2) and one four-story 40-unit apartment building (Building 3).
- 16-24 Captain John Jacobs Rd, Assessor's Map 209, Block 3, Parcel 1.1 (formerly Assessor's Map 109, Block 1, Lot 2 and Map 209, Block 1, Lot 2) – Proposed one four-story 45-unit apartment building (Building 5).

14 Captain John Jacobs Rd, Assessor's Map 209, Block 3, Parcel 1.2 (formerly Assessor's Map 109, Block 1, Lot 2 and Map 209, Block 1, Lot 2) – one four-story 45-unit apartment building (Building 4).

Owner: Kettle Point Apartments LLC

Applicant: A. R. Building Co.

Zoning: Kettle Point Waterfront Sub-district

Jason Kambitsis spoke for the applicant, A. R. Building, in support of the request originally presented to the Waterfront Commission on June 15, 2017 to pay \$42,500 per unit for 10% of units (228 total rental units proposed) in-lieu upfront, by phase, into an affordable housing trust fund. He indicated that the request has financial benefit to their firm which intends to hold the property long term, while also creating revenue for the proposed low-income affordable housing trust fund. In-lieu payment would be made to the trust fund upon issuance of the building permit. In Phase 1 is now underway,

Phase 2 is scheduled to begin in 18 months. The Affordable Housing Trust fund still needs to be established. The Waterfront Commission will determine how the funds are managed and distributed either city wide or in the Waterfront District.

David Bachrach, Community Development Coordinator for the city, spoke in opposition, citing the following: 1. The original intent of the waterfront plan was to include 10% affordable housing to assure that waterfront residences wouldn't become exclusively for middle and upper incomes. If 0% on site affordable housing is approved, this sets a precedent for future waterfront development. 2. City doesn't currently have a strategic housing plan that is needed to establish, manage, and provide guidance for an affordable housing trust fund for in-lieu payments. 3. \$42,500 per unit is insufficient to build affordable housing units. Inclusion of affordable units on the waterfront is a demonstrated means to increase the number of affordable units needed to meet the city's 10% goal. 4. By allowing 10% in-lieu payments, there is a net loss of affordable housing (from 23.8 units in the Waterfront to approximately 5.5 units off site). Although the \$42,500 per unit could be leveraged for additional state and federal funding for affordable housing projects, this would not create diverse income neighborhoods that have been cited by the Brookings Institute as providing a ladder into the economic mainstream for low income residents. While in-lieu payments can leverage other affordable housing funds such as CDBG and RI Housing, it diverts these funds from being invested in additional affordable housing developments. Instead, these subsidies are used with in-lieu funds to create considerably less affordable housing than originally would have been created in the waterfront. This is not an efficient or effective way to allocate scarce affordable housing funding from the state, feds, or city. He also indicated that the city solicitor has requested that the city have an opportunity to comment on the plan at the Waterfront Commission hearing scheduled September 21, 2017 when the recommendation of the Hearing Panel is presented.

Daniel Mancosh, president of A. R. Building Co., indicated that the proposal is a good financial move for his company and explained that from the valuation perspective, the \$42,500 per unit is representative of the cash flow difference in annual rental between market rate and controlled rent units. In-lieu payment is beneficial financially to A.R. Building and to the city in providing gap financing for affordable housing projects but is not a deal breaker for A.R. Building Co.

Alan Noiset spoke on behalf of a proposed affordable housing project in the waterfront district. In-lieu payments will be important to providing gap financing for this home ownership project.

Paul Moura joined the meeting at 6:45 PM.

David Sluter, a member of the Waterfront Commission but not a member of the Hearing Panel, spoke on his experiences developing Ross Commons, the first residential project in the waterfront which includes 10% affordable housing. He indicated that while there

is a need for the 12 affordable units at Kettle Point, the reality is that the \$42,500 per unit in-lieu payment can be leveraged to support other affordable housing projects.

Cynthia Langlykke spoke in support to the proposal.

Bill Fazioli provided a synopsis of proceedings for the benefit of Paul Moura.

On a motion from the floor, Mr. Hardcastle closed the public hearing. Hearing Panel discussion followed.

William Fazioli indicated that the Waterfront Commission held Ross Commons to the full standard of 10% affordable housing. Previously the percentage of onsite affordable housing at Kettle Point had been dropped to 5% and that is a good compromise. It does not appear that the Kettle Point condos include affordable housing. Although he can see the value of leveraging the funds, it should not be at the expense of creating an exclusive community.

Paul Moura presented a motion to send the Waterfront Commission a recommendation in support of approving the request for 0% on site affordable housing and 10% in-lieu payment to the proposed affordable housing trust fund subject to hearing any concerns from the mayor, city council, and city manager when presented to the full Waterfront Commission hearing on September 21.

Mr. Kern seconded, and a voice vote was taken:

Moura	AYE	Kern	AYE
Willey	AYE	Hardcastle	AYE
Fazioli	NAY		

The motion passed.

B. VOTE: Minutes from February 16, 2017 Hearing Panel were accepted on a motion by Mr. Fazioli and seconded by Mr. Moura.

C. VOTE: Adjournment

A motion was made by Mr. Fazioli and seconded by Mr. Kern to adjourn. Hearing adjourned at 7:15 PM.

Respectfully submitted,

PAMELA M. SHERRILL, AICP
Executive Director

