2025 Annual Town Meeting
Article 23
Appropriate for the Preservation of Seabeds Way
Frequently Asked Questions

1. **What is the history of the project?**
   Seabeds Way (SBW) is a federal public housing development that serves elderly and disabled households. It is comprised of four two-story wood-framed buildings on roughly 4.5 acres of land located at 22-46 Seabeds Way in Needham. The development includes forty-six affordable one-bedroom units. The site also includes a small community room on the first floor of one of the buildings. The property was built in 1982 and is need of preservation.

2. **What is the scope of the project?**
   The overall scope of construction includes the following:
   - Replacement of concrete exterior stairs, railings, and ramps;
   - Roof, siding, and window replacements to ensure water tightness of the housing;
   - Replacement of outdated electrical systems to improve resident safety;
   - Upgrade to building fire detection, alarm, and fire suppression systems;
   - New energy efficient building systems consisting of air-source heat pumps for heating and cooling, and energy recovery ventilators for improved ventilation;
   - Replacement of bathrooms and kitchens with energy-efficient and water-saving appliances, and new flooring;
   - Installation of a hook-up for an emergency back-up generator; and
   - Roof reinforcements and electrical upgrades for "solar readiness"

   However, CPA funds may only be used for constructions costs within the scope which are considered preservation of community housing. Preservation is narrowly defined by the Community Preservation Act as "protection of personal or real property, from injury, harm, or destruction". (M.G.L. Ch. 44b §2; IGR 19-14) NHA will only be reimbursed for those aspects of the project that meet the definition of preservation. The rest of the project will be funded through other sources.

3. **Has the Town committed funding to Seabeds Way previously?**
   Yes. The Spring 2022 Town Meeting awarded NHA $241,052 in CPA funds for predevelopment costs associated with the preservation of Seabeds Way and Captain Robert Cook Drive.

4. **The preservation and modernization of NHA's Captain Robert Cook Drive (CRCD) development was originally proposed in NHA's Initial Eligibility Project Application that was submitted to the CPC in November of 2024, but is not included in the scope of Article 23. Why?**
   SBW is located adjacent to CRCD. The NHA was planning to pursue the preservation and modernization of SBW and CRCD together; however, due to lack of available funding NHA can only pursue construction at SBW at this time. NHA plans to address CRCD in roughly two years, assuming NHA can assemble sufficient additional funding.

5. **What is the total cost of the project and the other funding sources?**
   The current total development cost estimate for SBW at the conclusion of 100% Schematic Design is $20.8 million. This includes, construction, financing, design, consulting, and other costs. The total construction cost estimate is $14.4 million. These estimated costs will continue to be updated as design progresses through the construction documents design phase.

Construction will take place simultaneously with the property's conversion from federal public housing to the Section 8 voucher program (also referred to as "repositioning"). The conversion will provide NHA with an increased annual operating income to support sufficient operations and maintenance after construction completion. The increased income will support a loan or mortgage that will cover roughly 50% of the total development cost. The remaining funds will be sourced from other state funding programs (approximately 21%), the $3.2 million Needham CPA grant (approximately 14%), NHA funds (approximately 9%), and other sources (approximately 5%).

6. **When is construction scheduled to start?**
   NHA currently anticipates that SBW construction will begin in Q1 of 2026 and be completed in Q1 of 2027.

7. **How will the existing Seabeds Way tenants be accommodated during the construction period?**
   In order to minimize relocation-based disruptions to residents, construction will be phased such that SBW can be partially occupied during construction. However, as their units are renovated, NHA anticipates that residents will have to be temporarily relocated over the construction period. All residents that temporarily relocate will have the right to return to the property. Details on the duration of relocation and where residents will be relocated will be confirmed during a later phase. A formal relocation plan will be established with approval from NHA's Board of Commissioners. It will outline the relocation strategy, including requirements for NHA to provide a comparable unit, cover all packing and moving costs, and assist with packing and moving as needed for the required relocation. A Relocation Advisory Agent will be hired to facilitate any temporary relocation.

8. **Will any zoning changes be needed for the Seabeds Way project to proceed?**
   No. The SBW project does not involve the creation of any new additional units or changes to occupancy type which would require zoning changes.

9. **Who are the project's lead development consultants, architects, and contractors? Has their experience been vetted?**
   The SBW project's development consultant is the Cambridge Housing Authority (CHA). Bargman, Hendrie + Archetype (BH+A) is the project architect. Both CHA and BH+A were selected via competitive Request for Proposal (RFP) processes in 2021 and 2023, respectively. A general contractor will be selected via a competitive RFP process toward the end of the construction documents phase at the end of 2025.

10. **Are CPA funds at risk?**
    No. The grant, recommended by CPC through CPA funds, is based on a reimbursement model and will not be distributed until the total project financing is secured and construction is underway. NHA's request for reimbursement will be reviewed and approved by Town staff and the Town Financed Community Oversight Committee (T-CHOC), which was established by the Select Board specifically to oversee the use of funds appropriated by the Town to support the development of community housing by third parties.

    Additionally, the Town's grant agreement will include a timeline for a funding status update. By September 30, 2028, the NHA and CPC will meet to discuss the status of the entire financing of the project, and if the complete financing is not secured, discuss a possible extension if financing is likely, or if there is a good cause for the delay. The goals of this meeting would be to:

- Ensure that appropriated CPA funds will not sit indefinitely without being spent;
- Ensure that the NHA has sufficient time to secure project funding in its entirety before CPA funds are at risk of being rescinded;
- Require that NHA provide a formal update on the project to the CPC; and
- Ensure that parties have an understanding of the status of the project, the status of the financing, and the updated timeline.

11. **Will there be an affordable housing restriction?**
The grant agreement will also require that the NHA provide an affordable housing restriction that will be held by the Town, for the purpose of securing the affordability of all units within the project. The affordability restriction will include an affordability level at or below 80% of Area Median Income (AMI) as represented during the application process. The affordability housing restriction will be memorialized in a separate, free-standing document from the grant agreement, will be executed by the Select Board and the Needham Housing Authority, and will be recorded at the Registry of Deeds. The affordable housing restriction will be in effect in perpetuity.

12. **NHA is repositioning its federal public housing properties. What does this mean and why is it important?**
"Repositioning" means converting the affordable housing subsidy source to operate a property from the Section 9 federal public housing program to the Section 8 voucher program. NHA currently receives its subsidy to operate SBW development via the federal public housing program. However, public housing funding is extremely limited, making it difficult for NHA to properly maintain the property. By switching its affordable housing subsidy to the Section 8 voucher program, NHA will benefit from increased operating income because the Section 8 program provides significantly more subsidy. NHA will use the increased operating income to take out a loan to support the SBW Preservation and Modernization Project and to support SBW's ongoing maintenance and operations after construction completion.

13. **Is funding the Seabeds Way project and starting its construction an essential prerequisite for closing the financing of the Linden Street Redevelopment project that the May 2024 Town Meeting Appropriated money for?**
An additional benefit of converting SBW to the Section 8 program is that it unlocks federal subsidies to build new affordable housing. The amount of the subsidy is based on the number of units being converted. To sufficiently finance the Linden Street Redevelopment project, NHA and its Peabody/AHSC development partner are relying on this additional subsidy. This subsidy is not accessible until the financial closing and construction start at SBW. Once NHA has access to the additional subsidy, NHA can reinvest it into the Linden Street project and progress to financial closing and the start of construction. This change in the financing structure for the Linden Street project came about in the Fall of 2024 after a change in the available federal funding program.