

SHATTUCK CAMPUS REDEVELOPMENT RFI RESPONSE

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Submitted by:

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St. Francis House (SFH) and the Planning Office for Urban Affairs (POUA) applaud the Massachusetts Executive Office of Health and Human Services (EOHHS), the Community Advisory Board, and the larger community for putting forth the intention to transform the Shattuck Hospital campus in a way that aligns with neighborhood, City of Boston, and Commonwealth planning goals while centering health and wellness. We appreciate the opportunity to provide input into the planning process and look forward to further opportunities to engage in the design and development of this site.

Founded in 1984, St. Francis House is a nonsectarian, nonprofit daytime shelter providing refuge, rehabilitation, permanent housing and housing services designed to help extremely low income and homeless adults establish lives independent of shelters and institutions. We are the largest and most comprehensive homeless day shelter in Massachusetts and provide services to 500 unduplicated guests each day. As a low barrier shelter, we turn no one away, and are open 365 days of the year.

The Planning Office for Urban Affairs is a foremost non-profit developer in the Northeast whose mission is to serve as a catalyst for social justice through its work in housing development, neighborhood revitalization and affordable housing advocacy. Since its inception in 1969, the Planning Office has developed nearly 3,000 units of elderly, family, mixed income and special needs housing, channeling approximately \$617 million of investment into developments throughout metropolitan Boston, and currently has several additional properties under active development.

Our organizations partnered to develop the Union at 48 Boylston Street in downtown Boston, an adaptive reuse and rehabilitation of a historic building into 46 units of permanent affordable housing with 26 units targeted to households who have experienced homelessness. In addition to an on-site property manager and resident services coordinator, the residents have access to SFH's array of services, including health care, counseling, and more. The development also provides administrative office space for SFH and commercial space for business ventures that will provide job training and employment opportunities for SFH guests. The second phase of this development is a new construction tower of 126 mixed-income units at 41 LaGrange Street, which will bring more eyes on the street, improve the pedestrian experience on the block, ease the displacement pressure on longtime residents, fill a socioeconomic gap, meet a growing demand for affordable housing in a rapidly changing neighborhood, and allow people from all backgrounds to enjoy the success and rich cultural, commercial, educational, and recreational resources of the area. Our experiences in our respective fields and working together on the Union and 41 LaGrange inform our response to this RFI.

1. Provide information on the type of services that could be added to the Campus. Respondents do not need to have expertise in all program or service areas.

We believe that the model of collaboration and service enriched housing we successfully developed at the Union and are employing for 41 LaGrange would be fitting to implement and expand on at the Shattuck campus. We envision a mixed-income, mixed-use development where the housing, businesses, services, and open space each support and reinforce the recovery, health, and wellbeing of the residents and the community at large.

A core value which guided the redevelopment of the Union and which we feel would benefit the redevelopment of the Shattuck site is intentional inclusivity, which means being consciously inviting and welcoming to people from all socioeconomic backgrounds and experiences and being mindful of how these people will interact to form a community beyond merely sharing the same physical space. We

believe intentional inclusivity in the form of a mixed-income, mixed-use development not only complements the guiding principles of the Shattuck campus planning process but is important to include as a driving principle in the design and programming of its redevelopment for several reasons.

First, this approach promotes a positive image of the campus planning a redevelopment process by cultivating a broader range of stakeholders. As the RFI notes, the campus serves some of the Commonwealth's most vulnerable populations, including those with complex medical, behavioral health, and housing needs. People experiencing homelessness, the disease of addiction, mental and behavioral health issues, and/or who have low incomes are often stigmatized through exclusion, violence, and discrimination, among other manifestations. The campus is likely already heavily associated with these marginalized groups, and this stigma may translate into a negative image of the redevelopment efforts, making the process harder. By making the campus open to people of a wider range of backgrounds, more people may feel like stakeholders in the redevelopment and the effort may enjoy more public support while still serving public health goals and meeting the needs of this target population.

Second, an intentionally inclusive approach supports recovery and wellbeing by promoting social connection. Stigma contributes to high levels of isolation among these groups, which can undermine recovery efforts due to a lack of healthy support systems and coping mechanisms. Keeping the campus geared towards the most vulnerable populations alone would entrench a concentration of poverty and can reinforce negative behaviors and outcomes. A mixed-income development will allow for interaction among a broader range of people that can promote new friendships, stronger and more varied social capital, networking that can lead to job opportunities, safety in terms of having healthier people being able to look out for their neighbors, and encourage and normalize relationships across various socioeconomic lines for its own sake. As more attention is being given to housing and other factors as a social determinant of health, the benefits of a mixed-income, mixed-use development can meet the statutory requirements of using the land for public health purposes.

Another benefit to an intentionally inclusive approach characterized by a mixed income development is more possibilities for financing. By making the development open to people with a range of incomes, more sources of funding become available, both in terms of potential subsidies and the ability to support more debt. More funding also may be available for operating costs related to supportive resident services by broadening the spectrum of payers from Medicaid and Medicare to private insurers and those who can self-pay for the services that SFH and other partners on the site could provide. For more information on funding possibilities, please see question 4.

With this value as well as the guiding principles of the Shattuck campus planning process in mind, a mixed-income, mixed-use development focused on health, wellness, and integration, could consist of the following elements in addition to the existing services that will remain:

Service-enriched housing: The Union and 41 LaGrange developments offer models of affordable and mixed-income developments that work together to form a more integrated community and support successful tenancies for residents with complex health needs that could be recreated on the Shattuck site. The residential building(s) would be designed to maximize accessibility and accommodate residents with mobility, hearing, and vision impairments, as well as include common areas such as resident lounges, storage, and laundry facilities. On-site property managers would respond to maintenance needs and ensure that the property operates smoothly while resident services coordinators would develop health and wellness-oriented

activities based on resident reported interests and connect residents to resources on the campus or in the larger community. For example, the resident services coordinator may organize a healthy cooking class in the lounge or connect residents who don't already have rental supports or case management to financial assistance programs and other services available on the campus or elsewhere.

The development could also establish and utilize partnerships with health care-specific providers/organizations such as Shattuck and other hospitals, clinics, and the PACE program, to place community health workers and clinical staff on-site or conduct regular visits and enroll eligible residents into PACE or other programs. Services through these partnerships could either take the place of a resident-services coordinator, thereby reducing the operating costs carried by the project, or, if feasible, supplement the resident services coordinator's work.

Additional services that may be provided within the residential buildings or in separate facilities as part of a larger campus plan, but that would remain open to the broader community, may include:

- Health and wellness center: This area or facility could provide fitness equipment and training; medical nutrition therapy, nutrition education, and kitchen facilities; and space for meditation, yoga, art therapy, or other activities to stabilize mood and reduce stress.
- Education and employment center: This area or facility could provide workspace equipped with computers, printers, and other items where residents and community members can study if they are already enrolled in an educational program or receive adult basic education (ABE) classes, prep and test for the HiSet, ESL instruction, and pre-employment/pre-vocational classes that prepare people to enter or re-enter the workforce. Programs like the St. Francis House Moving Ahead Program (MAP) could serve as a model, and partnerships can be established with area colleges to provide classes.
- Social center: This area or facility could be a more adaptive space distinct from resident lounges that could host larger events and gatherings such as performances, gallery shows, or community meetings.
- Spiritual center: A non-denominational place of worship that can host all faith communities for services to support an important facet of healing and recovery for many.

Health-centered businesses and social enterprises: Providing commercial space on the Shattuck campus for businesses is an important way to reduce stigma of the site and integrate it physically and socially with the surrounding community by attracting those in good health and people of all backgrounds to interact. Appropriate businesses include commercial gyms and fitness centers, spas, a grocery store, a health focused café, and child or adult daycares. These businesses, as well as the various vendors needed to operate and service the facilities, could further support the wellbeing of residents and campus-users by agreeing to train or hire a certain amount of their staff from that population who have shown readiness through the appropriate evaluations by their care providers.

Green spaces: The green and open space design of the campus will play a crucial role in knitting together the remaining existing facilities with whatever new elements of the campus get developed as a result of the redevelopment process as well as with the surrounding community. These spaces can also reinforce the health and wellness focus of the activities inside the buildings. These spaces may include community gardens for growing food; peace and meditation gardens; fields or courts for sports such as baseball, kickball, soccer, tennis and activities like outdoor yoga; a running track, bike paths, and pedestrian walkways between buildings and around the campus.

2. Describe any specific issues that would deter or encourage an organization from partnering with the Commonwealth.

Both SFH and POUA have worked with the Commonwealth in its lender/funder and regulatory capacities and enjoy both a positive working relationship with our respective Commonwealth colleagues and good standing in terms of our obligations related to our developments and programs. We are encouraged that the Commonwealth is thinking about public health expansively and would be eager to work with the Commonwealth to realize its bold vision for the Shattuck campus redevelopment. However, because the vision is so expansive, enacting it will require the cooperation of the developer(s), the various organizations remaining on the site, and other stakeholders, which in turn requires a strong governance structure or entity to provide accountability beyond the planning process through implementation and management. We feel that the Commonwealth's continued involvement with the campus through the establishment and enforcement of, if not involvement in, a governance body for the site will be critical to long-term success of the redevelopment by promoting collaboration and alignment with the planning goals.

3. Identify what steps an organization would need to take to partner with the Commonwealth and a rough timeline for these steps.

Many of the steps an organization would need to take to partner with the Commonwealth and the associated timeline for doing so would be dependent on the date and requirements of the RFP process, as outlined in the RFI. That said, there are important steps that both EOHHS and organizations can take at this stage to establish a productive relationship with each other regarding the Shattuck campus redevelopment. First, EOHHS can publicly share all responses to this RFI so that all interested parties can get a sense of each other, the ideas have been proposed for the site, and potential areas for partnership. EOHHS can convene all interested respondents to the RFI for a meeting to develop ideas further and get into more detail about the RFP process, or organizations can do this outreach on their own. SFH and POUA would be willing to work with EOHHS and others in whatever preliminary meetings, if any, arise from this RFI. In addition, SFH and POUA would track and participate in upcoming Community Advisory Board meetings or hearings and other neighborhood activities related to the campus redevelopment planning process to be an informed partner and grow ties to the community. These activities would take place between when this RFI is due on May 17, 2019, and when the campus plan is finalized in September 2019.

4. Describe what resources, including funding and financing models, are necessary to enable a partner(s) to finance the design, permitting, leasing, and construction of the project and ongoing management of the site.

Given the increased recognition of permanent housing as an important social determinate of physical and mental health and well-being, the development of permanent supportive housing in a comprehensive, integrated manner is a critical component to the vision for the new Shattuck Campus. The redevelopment of the Campus will require partnerships with public agencies, private and quasi-public lenders and agencies, private investors and service providers to ensure that high quality housing, paired with services, can be provided to ensure that the chronically homeless can be housed in an integrated development. We would envision a multi-faceted, mixed-income, mixed-use development that can provide opportunities for housing, job training and services in an economically and socially diverse housing development. There are several resources that will need to be in place for this type of successful redevelopment.

First, since it is expected that the redevelopment would be implemented through a long-term lease of the property, it will be important for the ground rent to be nominal. Given the population being served with this type of housing, it will be important that operating income and subsidies be targeted to the provision of supportive services, which would result in limited resources to pay a ground rent. This type of a ground lease arrangement will service an important public need and help to make it feasible to provide much needed housing for a typically underserved population.

Second, we envision the development of a mixed-income development that integrates chronically homeless individuals with workforce and moderate-income households. Given this integrated approach, the units targeted to chronically homeless households will have limited income from residents but higher operational costs to provide integrated services along a continuum of care. As a result, the revenue stream will be reliant on income from rental subsidies. It will be important for the development and service partners to pursue subsidies from a number of sources, including: (i) the Section 8 project-based voucher program through the Boston Housing Authority and the Massachusetts Department of Housing and Community Development (“DHCD”), (ii) the Massachusetts Rental Voucher Program, (iii) the Section 811 program through DHCD, and (iv) continuum of care rental subsidies through the U.S. Department of Housing and Urban Development and managed by the City of Boston’s Department of Neighborhood Development (“DND”).

Third, given the need for extensive resident and supportive services to be provided for the units targeted for permanent, supportive housing, those units would have a limited ability to support permanent debt; the inclusion of workforce and moderate income units will enable the redeveloped Campus to (i) create an integrated community, (ii) respond to the need for workforce and moderate income housing in the City of Boston, and (iii) generate additional income to support permanent debt. In addition, the developer should pursue subsidized advances through the Federal Home Loan Bank of Boston and its member banks in order to reduce borrowing costs and maximize the project’s supportable debt. The construction of the project will be reliant upon federal, State and local sources of financing, in addition to federal and State low-income housing tax credits and the equity raised from the sale of the credits to an investor. DHCD and DND will be important financial partners in the successful redevelopment of the Campus. In addition, strong relationships with private lenders and quasi-public agencies will be necessary to secure construction financing and permanent financing. It will also be important to explore creative financing structures that can “mix and match” different capital and equity sources, such as 4% and 9% low-income housing tax credits, new markets tax credits and possible

opportunity zone financing in order to maximize the amount of private equity investment that can be brought to the redevelopment efforts.

Finally, the redevelopment of the Campus will provide significant public benefits to the surrounding neighborhood, the City of Boston and the Commonwealth. In order to maximize those benefits, the design and permitting of the redeveloped Campus will require engagement and a close working relationship with representatives from these parties. The design and permitting of the Campus will need to be coordinated with the City's planning efforts and initiatives to complement and build on the City significant policies and investments in this area. The redevelopment of the Campus also needs to be undertaken in a sustainable manner. In short, with these resources and this approach, the redevelopment of the Shattuck Campus holds an incredible opportunity to create an integrated, supportive housing development with a continuum of services.