



# DANVERS AFFORDABLE HOUSING TRUST

TOWN HALL, DANVERS, MASSACHUSETTS 01923  
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## **Minutes February 10, 2014**

**Attending:** Gardner Trask, Sally Calhoun, John Alden, Tish Lentine and Carla King

**Also Attending:** Dan Martignetti and Sally Kerans

**Staff:** Susan Fletcher and Francine Butler

### **Minutes of November 25, 2013**

A motion was made, seconded and unanimously voted to approve the minutes of November 25, 2013.

### **56-68 River Street: Off Site Affordable Housing Unit (Dan Martignetti)**

Trask provided a brief history of this affordable housing unit. Martignetti is the developer of a condominium development being built at 56-68 River Street. As part of the inclusionary zoning, the developer is allowed to have a cash payment based on the size of the project, or contribute a unit. The Martignetti development required one affordable housing unit which would be provided off-site. This development being a high end project, along with the pricing of the condominiums, the condominium fees and taxes, it would not make it feasible for someone to afford this as an affordable housing unit. The solution was to allow an off-site affordable housing unit. Martignetti found a duplex condominium and came to an agreement that he would purchase one of the condominiums and add a bedroom to the unit so that it would have three bedrooms. Martignetti proposed this to the neighbor, who is a fifty percent (50%) stakeholder in the condominium. He was also going to fund the reserves so that she would have benefited from some of the renovations they were going to provide. They also agreed to pay more of the water bill since their unit was going to be a three-bedroom unit. The owner of the second unit was not happy when she found out this was going to become an affordable unit. She felt it was a stigma that would lower her real estate value. Martignetti tried to explain the affordable unit, but to no avail. She proposed selling her unit to him rather than losing money in her investment. She also asked to rent the unit back until she could find housing elsewhere. Martignetti stated that he decided to come talk to the Trust prior to discussing the purchase price with the present owner. She is looking to rent the unit for a year, and he stated that he can limit the amount of time that he rents the unit back to her.

Martignetti stated that rather than convert the duplex into a three-bedroom unit, he could provide the DAHT with two deed restricted affordable units by purchasing the other side of the condominium for \$220,000. Both sides would be two-bedroom units. Trask confirmed that Martignetti would still fund the reserves, and he asked if they still wanted him to do this.

Calhoun stated that a mortgage lender wants to see that there are adequate condominium reserves. She does not know if this applies to affordable units as well, and Fletcher stated that this may be more of a concern if the units are affordable.

Alden stated that the Trust believed that they were going to boost the reserve by \$3,000.

Martignetti stated that the DHCD has informed them they could sell a two-bedroom unit for \$165,000. If it was a three-bedroom unit, it could sell for \$187,000.

Alden was more concerned with the size of the unit. He felt the location is perfect, but he preferred a three-bedroom unit rather than two units with two-bedrooms.

Alden stated that their goal was not only to meet the 10% goal established by DHCD.

King felt there were many people out there that could use a two-bedroom unit.

Calhoun stated that it was an interesting dilemma to have, and was not sure which way to go. She did not know the building very well. She asked how they would be able to determine which way was better.

Lentine liked the idea of having two units, but she saw the need for three-bedroom units all the time.

Trask pointed out the concerns they had discussed. They could have a duplex that would have a jut out on one side and not the other. When the applicant went to the Planning Board, they talked about the alternatives such as purchasing two two-bedroom units. You may do the project with the same money. Trask agreed that there was a deficit in three-bedroom units, but he would rather have two families served rather than one with a need for a three-bedroom unit. He would waiver toward the two units being deed-restricted. He felt it served the community better to serve two families.

Martignetti asked what was in higher demand, two or three-bedroom units, and he was told three-bedroom units were in more demand.

Sally Kerans, a volunteer with the Citizens for Adequate Housing stated that they have two shelters for families who are homeless. She said there was a huge need for three-bedroom units.

Fletcher stated that Martignetti was going to the Planning Board tomorrow, and they would be making the deciding factor. The Trust would make a recommendation to the Planning Board but the ultimate decision would be the Planning Board's.

Fletcher stated that Martignetti would be looking for relief from the \$70,000 due at the end of construction. A formula could be calculated for the expense of the three-bedroom, as well as the expense of the other unit. Fletcher said they should consider the amount of the reduction at the end of construction. She pointed out that the Planning Board allowed him to go off-site. She stated that it is implied with an affordable housing requirement that there is a financial hit for the developer, and if Martignetti had been required to provide the affordable unit within his development it would have been more of a financial loss than there will be for the off-site affordable housing units.

Calhoun stated that people purchase property and make decisions about development. The Planning Board can put conditions on a project. Here with the DAHT, their goal is to increase affordable housing within the Town. For someone to come up with a creative way to do it is great. She has no problem recommending to the Planning Board that the two-bedroom units are acceptable.

Alden agreed with Calhoun. Two two-bedroom units are great. He would consider renegotiating or eliminating the payoff if Martignetti provided two three-bedroom units.

Trask said there were three options; to proceed with adding a third bedroom to the present unit; to purchase the second unit and provide two two-bedroom units, or purchase the unit and provide two three-bedroom units and forgo the payoff at the end.

Alden asked if he would be interested in entertaining one of the situations presented. Martignetti said he could do any one of the three options.

Trask did rough numbers on all three options and discussed them with Martignetti. Martignetti said he was fine with any of these options.

Trask told the Trust that the Developer and Planning Board could decide. He wanted the Planning Board to know that there were options.

Calhoun moved to recommend to the Planning Board that after discussion of multiple options available, the Trust recommends the option that would have Mr. Martignetti purchase both units, convert both to three-bedroom units and forgo the payoff at the end of construction.

Martignetti said if he could negotiate any money off the purchase price, he would put the additional funds back into the project. He would fund the reserves as well.

Alden seconded the motion.

The motion passed by unanimous vote.

### **Housing Production Plan: Goals, Implementation Strategies and Next Steps (Lynne Sweet/Susan Haber)**

Lynn Sweet stated that she had worked with DAHT for a couple of months. She thought they would flip through some of the sections of the plan and get some more feedback. They would be expanding on what they have.

Sweet stated if they can agree on what this document said, it would need to be approved by the Planning Board and Selectmen, and then be approved by the State. She explained what it meant to have a plan and how the Town could be certified. She said that if the Town reached the ten percent (10%) threshold, they would be getting local control back. If the Town had an affordable housing plan, and they are not at the ten percent threshold but creating .05 units each year, then the Town can become a certified community and maintain control. Should someone come in with a 40B development the ZBA would be able to deny it if they believed that the application was not appropriate for the community.

Calhoun stated that the work of the Trust does not stop when the community meets the ten percent requirement, and she would rather continue to work towards having a lot of affordable housing.

Sweet and the Board reviewed the proposed plan.

Trask asked what the next steps would be. Sweet asked if they would like to have a public meeting.

Calhoun felt the Selectmen and Planning Board should be one meeting.

Sweet said they could have a public forum, and Trask felt it should be offered.

Sweet asked when they would want to do it. Trask asked what the goal was to have this completed. Sweet said they should present to the Boards two weeks after the public forum. Trask suggested to have the public forum in March, and present to the Boards in April.

The Trust suggested the public form to be held on March 24, 2014. They would then have a joint meeting with the Selectmen and Planning Board. Trask suggested the date of April 15, 2014 which is a regular Board of Selectmen meeting. The Planning Board would be invited to attend that meeting.

### **Special Town Meeting Results**

Trask informed the Board that the language was tightened concerning the Multi-Family Affordability Provision.

## **Conifer Commons**

Fletcher said that 41 of the 48 units for Phase 1 were occupied, however, the rents were very high. Fletcher said the rents were: \$1,486 for a two-bedroom unit; \$1,851 for a three-bedroom unit.

Kerans felt the Town needs another school. Trask said he would not make that leap in logic. Kerans felt the Highlands School is very overcrowded, and Trask said all the schools were overcrowded. Trask stated that he did not feel compelled to not accept an affordable housing project because of a shortage of water, schools or something else.

Fletcher stated that the Town had not increased in population, even with the increase of construction. Trask said he understood that a building permit had been issued for the next phase.

## **24 Cherry Street**

Fletcher informed the Board that they expect to be done by March 10<sup>th</sup>, and hoped for an April 1<sup>st</sup> occupancy for two families. The cost of construction is projected to be \$872,000. Calhoun pointed out that they found asbestos, and there was a problem with the foundation. Fletcher said that the prevailing wage was a financial burden with this project.

## **55 Ferncroft Road**

Fletcher stated there is presently an office building on the site that is not doing well. They are only at thirty percent occupancy. The property is in the Highway Corridor. She stated the developers were looking to come in for a LIP rental development. They would be using the existing building and would build another building which would allow for approximately 170 units. Fletcher is going to e-mail the Town Manager to bring this matter before the Selectmen. Although only 20% of the units would be affordable, all the units would be eligible to be included on the Town's SHI.

Trask asked where they were on Rose Court. Fletcher said she had a closing with HOME funds with a single person on Thursday. They have three other homes coming up within the next month. Phase 1 is complete.

Trask said that he was going to send a letter to Wayne Marquis since Charles Desmond resigned, thereby leaving a vacancy on the Board.

A motion was made, seconded and unanimously voted to adjourn the meeting.

The meeting adjourned at 9:30 p.m.

Tish Lentine  
Clerk