



DANVERS AFFORDABLE HOUSING TRUST

TOWN HALL, DANVERS, MASSACHUSETTS 01923
TELEPHONE (978) 777-0001 FAX (978) 762-0215

Minutes February 18, 2015

Danvers Affordable Housing Trust: Gardner Trask, Sally Calhoun, John Alden, Carla King and Stacey Bernson

Staff: Susan Fletcher and Francine Butler

Minutes of January 7, 2015

A motion was made, seconded and unanimously voted to approve the minutes of January 7, 2015 as written.

Housing Production Plan: Next Steps (CPA, town owned lots, etc)

Calhoun asked what was the outcome concerning the trailers that were being offered by Endicott College? Fletcher responded that they cannot be located on Town-owned lots because our zoning does not allow for trailers as permanent residences. Fletcher said that she called the managers of the trailer parks that are located in Danvers. She spoke with the manager of three of the four trailer parks in Danvers and he informed her that he does have some open lots. However he told her that their business plan is that if they are going to rent; they buy the trailers, then sell them and collect the land rents. The manager for the fourth trailer park told her that he had three open lots. Fletcher said that she provided this information to Don Preston for him to follow up. Trask asked Fletcher if she inquired about the rents at these parks. Could the Trust subsidize the rental of one of those units? It would be nice to know what the monthly fee is.

Fletcher asked if the Trust had any thoughts about CPA. Calhoun said that CPA is doing great things in the communities that have accepted it. Fletcher felt there is a potential for an alliance with other town committees such as the Preservation Commission, Historic District Commission, and the Open Space and Recreation Advisory Committee. Alden asked what was needed to become a CPA community and Fletcher responded that it would be a ballot question.

Trask said that the CPA was discussed several years ago. He suggested writing a letter to other committees and requesting that the Selectmen appoint an exploratory committee to consider CPA. Calhoun felt that it would be worth taking the time to do this since it may bring us closer to success by forming a groundswell.

Trask asked the Board how formal they should make the letter, and whether they should forward a letter to the other Boards? Fletcher felt a letter was a good idea. They could propose a meeting

of at least some representatives to discuss if this is viable. She can send out information about the process. Calhoun thought this was a good idea.

Trask was concerned about organizing a meeting without the Selectmen. He suggested a letter to the other Boards to see if they were willing to endorse this letter to the Selectmen. It could be a generic letter signed by the Boards. Fletcher said that she would draft the letter and send it out for approval.

Alden asked if the HOME funds come up on an annual basis. Fletcher said that the allocation is available on July 1st of each year. Right now there is \$8,500 available for a loan. Fletcher said that they previously received funds close to \$80,000, and they are down to \$36,000 or \$37,000 per year. She said that they have used these funds for first-time homebuyers and projects such as 24 Cherry Street and Conifer Commons. Primarily it has been used for first-time homebuyers. They had five first-time homebuyers for the Rose Court project on Andover Street.

Alden asked if there was a process to find out if any grants are available to the Trust. Fletcher responded that the demographics of Danvers do not support many state or federal grants. Alden asked if there were grants swayed towards housing assistance programs. Fletcher and Bernson did not know if any existed.

Bernson said that they could get banks or people to make donations. Fletcher said that eventually the Trust will need to do this. Banks are required under law to make donations back to the community under the Community Reinvestment Act.

Calhoun asked if home builders or real estate brokers could be potential people to reach out to for fundraising.

Trask asked if there were any ways to identify homes that have been foreclosed or are being sold as short sales. He felt that banks may be willing to remand something back to the Town. Calhoun stated that short sales and foreclosures are different. Could the Trust be the buyer, or if the bank foreclosed, could the Trust put in the bid?

Trask asked if the Trust could help. He felt that there may be an opportunity to get a property that had been foreclosed. Is there a program that we can establish to help the homeowner keep the property before it is foreclosed for a deed restriction?

Calhoun said that the City of Lynn passed an ordinance where a foreclosure cannot occur unless there was a mediation that the city and homeowner set up. A foreclosure deed cannot be recorded unless this mediation was done.

Trask said that they do not know how many foreclosures are in Town. They are not trying to capitalize on someone's misfortune. Can the Trust prevent the misfortune?

Fletcher felt it was less expensive to keep someone in their property.

Trask pointed out that they have been talking about spending \$20,000 per unit. That amount is pretty close to two years of mortgage payments. The owner retains ownership, but he has to put a deed restriction on the property if it is allowed by the bank.

Calhoun said that if a homeowner wants to transfer ownership to a trust, the bank has to allow it. Fletcher said that if you do have a trust, you will pay somewhat more in interest. Bernson said that they could have a deed restriction that disappears upon sale. This is how it is done with the City of Peabody.

Trask asked the Trust what they would need to determine if they were going to pursue this idea of support. They need to determine the legalities of putting a deed restriction on the property. Trask felt that Gates may be able to provide this information, and Lentine might be able to tell us the number of foreclosures in Danvers.

King said that she likes the idea, but asked if they are throwing good money after bad. They should determine if something has changed that has temporarily changed the homeowner's status. She wants to make sure that the homeowner can afford the mortgage after they have been helped. Calhoun said that the Trust cannot help if the reason for the loss of the home is a drop in the value.

Trask asked if it may be possible to find foreclosed properties in Danvers so that the Trust can work with the banks. This would help the Trust as well as the bank.

Fletcher said they can ask Gates. She said that it took a lot to convince the bank that they could not take down the building at 51 Centre Street. She felt that there would probably be more chance of success if the Trust dealt with a local bank.

Alden asked if the Trust might be able to offer a rental subsidy program. The Housing Production Plan speaks to this. He asked what it would take for the Trust to set something up. The Trust could try to create stability.

Fletcher said that there is a lot of monitoring in qualifying an individual which is one of the advantages of the ownership housing units.

Bernson said that NSCAP has a homelessness prevention program, and there is a lot of work to administer these programs. Fletcher felt they could partner with one of these programs to cover Danvers properties.

Bernson said they could offer a rental subsidy program while they are applying for other assistance.

Trask asked if there could be a middle ground. Could they offer a zero interest loan for the first month's rent and security deposit? That is a huge hurdle. They can afford the rent, they just can't come up with what is needed to get into the unit. It was noted that recipients of these funds might find it either difficult or impossible to pay the rent and the pay back the loan from the Trust.

Trask said that they have done a good job reaching out to NSCAP and Community Council. He is less interested in Citizens for Adequate Housing because they don't have a Danvers focus. Fletcher said that Danvers is one of the four communities that NSCAP serves.

Bernson said that there is a lot of administration that goes with this. The Trust could get a lot more bang for the buck by partnering with someone else. Calhoun suggested that the Trust commit money to Danvers NSCAP projects.

Trask asked if there is a way to keep the property at 22 Conant Street and make it affordable. Fletcher said that this has been discussed but the Arch Diocese appears to be intent on demolishing the building. Trask said that the Selectmen forwarded a letter to the church asking them to further investigate ways to save the building. Fletcher said that there are several additions to the property that are not original to the building that could be demolished. The Preservation Commission would not object to removing these additions to allow 19 parking spaces.

Fletcher said that Andrew DeFranza from Harborlight Community Partners is looking at locations and has found a place in Ipswich where the building could be placed for up to a year while a permanent location is sought.

King likes the idea of subsidizing first and last month's rent. Fletcher said that she likes the idea of partnering with an agency that does this. Bernson said that HOME funds can be used for first and last month's rent.

Fletcher will ask someone from NSCAP to come to the next meeting.

Calhoun said that they could get some of the money back at the end of the lease. Trask suggested making it a zero interest loan, but there needs to have some sort of commitment. Fletcher said that may not be how NSCAP is required to administer their program. Trask said to call it first month's rent/last month's rent support. Bernson said that she has not heard of this. They could have some sort of agreement, but the difficulty will be that the recipients of the funding may not have the funds to repay the loan and still be able to provide the funding for their next housing situation. King wants to be sure the tenant can afford it.

Alden felt the Trust needs to learn more. Are there any training options? Calhoun said they could invite people to come in and talk to the Trust with suggestions. Fletcher felt having people come in is a good way to talk about local programs. Alden felt they would come away with a better understanding with what other organizations do.

Trask asked whether they want to pursue trying to modify the costly application process with the DHCD. Should the Trust send them a letter? Fletcher said that they need to contact the person that has the authority to make the changes. Trask said that the DHCD may not realize the rule had unintended consequences. Fletcher said that when she was speaking with the consultant

running the lottery, she felt that \$4,000 was not a bad fee. Trask said that the reality is that the fees are laborious to achieve their process for one affordable unit.

Bernson said that they could have a consultant come up with a plan that the Trust could use as a template.

In discussing the application by the owner of the Special Olympics building on Route 1 Trask said that the Trust offered, through their letter of support to the ZBA, to pay the cost of the consultant and application fee in order to create two affordable housing units for the project at Special Olympics. James Sears, Chairman of the Planning Board, felt that the Trust exceeded their authority by offering this support. Calhoun asked what the status was of that project. Fletcher responded that the Zoning Board of Appeals (ZBA) said no. Calhoun asked if the owner still owns it. This was confirmed.

Calhoun told the Trust about an elderly couple that had concluded that they needed to move out of their house and into assisted living. Their adult children helped them until they sold their house. In 2008 the property value plummeted and the house was sold as a short sale. The bank took less than they would have and forgave the rest of the debt. She asked if there is any component to assist elderly people. Fletcher said that it can be individuals, which includes elderly. Alden pointed out that people are living longer. Calhoun said that people were taking out equity loans, and now they have no equity. Some elders are house poor. They are not safe, and they are isolated. Fletcher said that the qualifications are income related.

Trask said he was surprised to hear about the information meeting regarding the affordable housing unit at 78 Holten Street being held this evening. He asked if the Town Hall had a subject matter e-mail list so that if people are interested in a subject, they could get their name on this list.

Fletcher said that the information was on the Town's website and had been advertised in several newspapers including the Danvers Herald and Salem News. Trask felt this was too passive. He felt they need to push the information out to people. People are frustrated. Fletcher said she would look into this.

Trask said he knew people who were interested in the affordable unit at 78 Holten Street, and he would have informed them had he known about tonight's meeting. Fletcher informed the Trust members that there were applications for the housing unit at Town Hall and that she would forward a copy of them to the members of the Trust.

Update: Possible Zoning Initiatives

Trask said that the Planning Board explained to the Selectmen that they were looking to working on the downtown Industrial 1 zones incrementally. Fletcher explained that the current uses in the downtown Industrial zones are quite different and could very well include different uses in their overlay zoning.. Trask said that if the impetus for the study was money, would it behoove the Trust to put money into a study. Fletcher suggested waiting to see if they get another grant from the MAPC. Calhoun asked if this was out of their study.

Trask said that Langlais and Clark were concerned that the study did not cover the area from Maple Street down to Elm Street to Town Hall and High Street. Trask said that the study was to look at mixed-use. If the study leads to zoning changes that provides for mixed use, is that not pretty close to the charter the Trust offers. Fletcher felt it may not be the same mixed-use in a different sections of the Industrial 1 zones.

Bernson suggested a compromise to see if the MAPC offered another grant, and then the Trust can augment it.

Trask said there should be an audit of the 40B units. He asked who does audits, and how often is it done and reviewed. He asked if the audits have happened. Fletcher said she will look into who reviews the audits.

Trask reviewed what had been discussed this evening.

The next meeting was moved to March 25th.

King said the original goal of the Trust was to stop 40B projects; however, she said that the Trust needs to work on affordable units. Section 8 can be anywhere. Trask asked how they could compel a developer to provide units.

Calhoun asked King what she would consider affordable. King responded rent under \$1,000. Calhoun said that the regulatory scheme is so complex and multi-layered. She asked how do you define it by percentage of income.

Trask felt if they can't make a unit affordable, they need to bridge the gap. Calhoun suggested looking at old buildings to rehab, instead of new construction.

Trask said that they need to make the property sustainable. King said that she knows landlords who got grants to rehab buildings. Trask said that the contractor got the subsidy.

Alden felt there was nothing that stopped them from looking into this. Trask said that theoretically it is a subsidy.

King said her concern is for the tenant being able to pay the rent. Calhoun felt there had to be a way to make it work.

Trask felt King sparked a topic. He felt the Town could waive fees such as permitting fees and wump fees for the promotion of affordable housing opportunities. He asked who would need to be engaged. Fletcher responded the Selectmen.

Bernson said they could reduce the fees if the developer is willing to offer an affordable unit.

Trask said that they could invite the Town Manager to their meeting to see about the reduced fees.

Updates: 56-58 River Street, 78 Holten Street, 55 Coolidge

Fletcher said that 55 Coolidge is closed up and dry walled. The heating system is in. The insulation is being installed this week in the attic. The future owners are meeting with the interior decorator. She said that they need to wait until April to do the siding. She told the Board that they are going to have a work session on Saturday until 2:00 p.m. if anyone would like a tour.

Fletcher said that the project at 78 Holten Street was already discussed.

Fletcher said that the marketing plan for Venice Street has been approved by the DHCD. They are waiting until the developer is further along with his renovations prior to searching for the homeowner. Alden confirmed that Venice Street needs to be completed prior to the issuance of the last occupancy permit.

Financial Report.

There were no questions. A motion was made, seconded and unanimously voted to approve the financials.

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

The meeting adjourned at 8:55 p.m.

Tish Lentine
Clerk