



DANVERS AFFORDABLE HOUSING TRUST

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

Minutes May 20, 2015

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

Staff: Susan Fletcher and Francine Butler

Also Attending: Steve Bartha, Town Manager

Minutes of April 15, 2015

A motion was made, seconded and unanimously voted to approve the minutes of April 15, 2015.

Affordable Housing Discussion with Steve Bartha

Trask welcomed Town Manager Steve Bartha to the meeting. He provided Bartha with a copy of the Declaration of Trust. Trask said that this was a citizen's board. The appointments were made by the Selectmen. Trask said that it is important that the Trust is included in the Town's audit since it is required by the state statute. He asked the Board to introduce themselves.

Alden said that he has lived in Danvers for thirty years. He owns his own construction business and does a lot of high-end residential homes in Needham, Newton and Wellesley. He also has some commercial background in construction. He said he was urged by Trask to look into this board. Alden said he is a strong republican, and he believes in doing what is right. He said he was hesitant when he came on the Board because he did not want to get swayed into thinking the wrong things. He was quickly educated and feels that the Trust is here to assist in finding affordable housing. He very quickly liked the cause, and with his builder expertise, they have had some good interaction with developers.

Bernson said that she has lived in Danvers for over twenty years. She has been on the Board for one year. She went to the public meeting for the housing production plan and became interested. She works for the City of Peabody. She is impressed with what Danvers does as a Town. She finds it very interesting, and it is nice to have some control.

Calhoun said that Bernson knows a lot about the housing programs. Trask said that she gives us the perspectives of other communities.

Trask told Bartha that he and Dan Bennett were concerned about affordable housing. He became interested because of a bad 40B project. He felt things were jammed down the Town's throat with the Endicott Green project. He felt the project was oversized and too close to property lines. The Town was over the ten percent threshold affordable housing requirement prior to the 2010 census. With the 2010 census the Town fell below this requirement. He and Bennett created an Affordable Housing Committee. They worked on the Inclusionary Zoning Bylaw. With a lot of hard work, the Trust was established after two town meetings. He said that the Trust is a facilitator. We are not going to be contractors or builders. We allow for much faster solutions at the Town level. He said that if they had to wait to Town Meeting, they would lose some projects.

King said that she lived in Danvers public housing for a while. She said it is difficult to get out of public housing once you get in. She said that she found an affordable apartment with the help of Bob Lee. She works with the Department of Children and Families. She has moved out of housing and purchased a house. She is on her sixteenth year with the Danvers Housing Authority. She was also on the Affordable Housing Committee. She said that she has dug her heels in. She understood the ten percent threshold for affordable housing, but she felt that they need to work on truly affordable housing. The affordable housing that the Town has is not affordable because the rents that are allowed are not affordable. She felt they should have affordable housing without people needing Section 8. She said that her own two grown children cannot afford to live in Danvers.

Gates said that he is the token banker. He was on the Danvers Housing Assistance Trust with Fletcher for many years. When the Danvers Housing Assistance Trust was legally dissolved their funds were transferred to this Trust.

Trask said that Gates worked for Danvers Savings Bank. Gates said that he is now with East Boston Savings Bank., and he walks to work. Bartha said that he also walks to work. Bartha said that Jay Ash, the Secretary of Housing and Economic Development, said that the hardest part about his new job is getting places.

Calhoun said that Gates has a long and admirable history of housing and assisting people in Town in need. Banking is a big piece of this Board.

Gates said that his wife and Barbara Remon started the food pantry.

Fletcher said that she started as staff for the Danvers Housing Assistance Trust, which was a non-profit, but staffing was provided by the Town. She felt it did good things. Times changed, and this evolved into the Danvers Affordable Housing Trust. She was also staff for the Danvers Affordable Housing Committee.

Calhoun said she was interested that most of the seed money came as part of the development of Avalon when the State negotiated the State Hospital property. When developers were allowed to develop a portion of the former state hospital, a condition of the sale was that \$500,000 was gifted to the town for affordable housing.. This money remained unused until the Trust was created. She said that the legal part is interesting. Calhoun said that she was involved with the

River House in Beverly. She agreed with King that that if an affordable rent through all the programs and statutes are \$1,800, how could a family afford that? She has never cared about the 40B issue. She felt that a 40B generates housing in places that need it. She felt there is a need to find housing for the older generation, young adults and young families. The Housing Production Plan stated that that the average rent in Danvers was over \$1,500, and she felt there should be an entryway into the Town. Calhoun said that they have worked with Habitat for Humanity on two properties. They have also worked with the Danvers Housing Authority on a project at Cherry Street that provided two affordable units. She said that in the overlay district, a developer needs to provide a unit or an off-site unit in Town. She said that Alden's skills helped coax a developer into a condominium that provided two three-bedroom units.

Alden said that they have a natural system. Everyone on the Board has an expertise, and he felt that they have come up with a good plan. He said that there was a fabulous plan that the project with the expensive condominium provided two three-bedroom units that were off-site. He said that they meet the criteria and wanted to create truly affordable units. He said that people have a problem being able to afford the down payments and the two and three month's rent that are required up-front. He said that they are trying to keep their own children in Town. The people at this table work well together. He said that another member of the Board, Tish Lentine, a real estate broker, has a lot to offer. He said that one of their concerns is that they do not have a renewable funding unit. They need to find a way to create more funding. They got seed money, but they cannot hand out money left and right. We have to be cautious of becoming involved with projects that require prevailing wage rates. We, as a government entity, have to put projects out to bid. The two units at Cherry Street cost \$800,000 due, in part, to prevailing wage requirements. We decided that we would be facilitators. Habitat is a perfect partner since we are not forced to pay prevailing wage. Alden said that the Trust cannot build a house on land owned by the Town. They need to convince Town Meeting members to transfer the land to the Trust, and then we find someone to facilitate building it.

Bartha said that he is aware of the prevailing wage issue and asked if any type of legislature had been filed. Trask confirmed that it has been filed on a regular basis, but it does not get anywhere.

Trask said that they worked on Cherry Street with the Danvers Housing Authority. He said that they enjoy a rich relationship with them. The director, Cindy Dunn, does great work. Before the Trust was developed, Cherry Street was taken by a lien process. Trask said that the Town does not want to take properties, but they have been recognized for affordable housing. The Danvers Housing Authority and the previous housing committee worked to get it as a warrant article at a Town Meeting for the price of the back taxes. The vote at Town Meeting was unanimous and the Danvers Housing Authority got the property. The Trust was asked to participate and provide some funding with the provision that the Danvers Housing Authority would also seek funding elsewhere.

King added that beyond prevailing wage, there were other things that were costly such as the asbestos removal.

The property at 55 Coolidge Road was sold to Habitat for Humanity. He said that the Town does have inclusionary zoning. He said that developers have discovered the loophole of going through the Zoning Board of Appeals. Trask said they have a good working relationship with the ZBA. They are notified of projects going before the ZBA and have brokered good solutions. The DHCD permitting process is difficult, and they have helped a building owner with this process. He said that they have done a Housing Production Plan, and this is their instrument to say what their housing stock is. They are now asking where are we going and what are we doing?

Trask said that last month Paula Gates, from Community Council, came to discuss how they could partner with them. They are doing research to best utilize their time. The Town is now over ten percent. Trask said that Kate Day has an intern working to see if there may be some discrepancies in the housing count. Fletcher said there were discrepancies, and they are getting more accurate numbers

Trask said that they understand developers have a tight margin, but they feel strongly that if you add to the inventory in Town, you should participate in adding to the relief.

Trask said that they were looking to waive permit fees such as the WUMP and electrical fees. He understands it is an income source for the Town, but it could be the tipping point for someone. When a developer goes to the ZBA, they have had collaborative discussions that people do not legally have to do what we want them to do. We ask people to work together.

Trask said that they are looking into the Community Preservation Act (CPA).

Alden said that they see the CPA as a funding source. The CPA can make our stance a lot stronger. One of the vehicles for funding would be the CPA.

Calhoun said that they were looking to see whether they could somehow provide first, last and security deposit for low income families to get into a unit. They can afford the rent, but they don't have the funds to get into the unit.

Calhoun said a lot of what they have done is in ownership. She, King and Fletcher have discussed looking at the rental market.

Fletcher said that rental housing has been identified by HUD and the DHCD as the biggest need. If we can't provide a subsidy before or afterwards, people cannot get into affordable housing.

Trask said that CPA would help for all preservation discussions, graveyard discussions and for affordable housing. He felt it was going to be a tough sell.

Calhoun said that Peabody has CPA and asked Bernson to tell them how the funds have been used.

Bernson said that they have done projects with Habitat for Humanity and Citizens for Adequate Housing. They have done a lot of open space projects and historic projects. It was used towards the bike path. She said that they have done a lot of historic preservation. A home was preserved,

and it made housing. She said that Peabody got in on the CPA early, and at one time they were getting a 100% match. Bernson said they were funding the housing rehab program with the CPA.

Bartha asked whether the housing rehab under CPA is reapproved every year. Bernson said it is project specific. She submits a grant proposal that states the number of units with the amount of funds. She said that every time they allocate money, they go to city council to move the funds.

Trask said that they were working with the ZBA in coming up with some checklist items for guidelines for relief. Maybe density can be 10% higher than allowed, or have one less parking space if they can come up with parameters of incentives. Trask said that you can tell the developer that you will be provided relief if you do affordable housing.

Trask said that they were working with the Planning Board to expand the inclusionary zoning to zones outside certain zones through the downtown zoning. We did a joint meeting with the Planning Board, Zoning Board of Appeals and the Trust. The ZBA explained that you cannot encumber a variance.

If the downtown overlay district passes, it will allow residential in the downtown. People have been going to the ZBA to allow residential in the downtown. If we have the overlay district, it will be allowed through Special Permit through the Planning Board.

Trask said that they were trying to work with Town Meeting. He felt they lose a lot of affordable housing opportunities when projects are not required to provide affordable housing. He added that the project off Conant Street, Edmunds Cove, should have participated in some sort of relief.

Alden said that the developer does not make as much money by giving up a unit. He felt Edmunds Cover slithered under the radar.

Fletcher pointed out that the inclusionary zoning is only for multi-family housing.

Trask said that we are not trying to target that developer. We are not looking for money along with the value of the home. Trask said that the Venice Street project came about as an off-site unit instead of burdening someone with a \$700,000 condominium. With Venice Street, they got two three-bedroom units. The developer bought and rehabbed the property. The developer did not absorb as much of a loss as he would have by giving a unit on-site. The developer is foregoing some profit.

Fletcher pointed out that in the case of the waterfront condominium, the developer did not forgo as much profit as he could have. The off-site unit he purchased was already affordable. She said that they were mildly reprimanded by the DHCD, but they are going to accept the units. The units at Venice Street did not need a deed restriction to be affordable – the market had, in reality, made them affordable.

Alden said that the project at Edmunds Cove bothered him because he knew how to propose it. The Jones Boys seventeen unit on Cherry Street needed a Special Permit from the ZBA. This project was within walking distance to the downtown and schools. They were not empowered to give us a unit. There is a loophole that we need to work on. As the economy comes back, there is going to be a lot more situations that are going to develop. Cherry Street would have been a perfect place for affordable housing.

Trask said that they are looking into the potential reuse of Town-owned property. There are a lot of single family lots out there, but we always get political push back. There is a large of track of property around the Danversport Yacht Club. We want to partner with the Town. We have been thinking about getting a tract of land and having the tech school build a home. Trask asked if the transfer authority was with the Town Manager or Town Meeting, and Bartha responded Town Meeting.

Bartha said the key to Town Meeting is to get one article that gets everything fired up.

Trask asked Bartha if he had any experiences that he may have had for opportunities for collaboration. He felt that the Trust needs to give the ZBA better tools, and let them know that the Trust is behind them. They need to know that they can push back.

Bernson felt that permitting fee relief may help the ZBA. Fletcher said that they are looking into this, and Maloney said that an article would need to go before Town Meeting. The big fee is the WUMP fee. She said that these are not low fees. It would be good to know how much money has been collected. Sometimes we may be collecting more funds than we are spending.

Bernson asked how the articles at Town Meeting were put in the order to be heard. Bartha responded that budgets were up front, and they put the bylaw amendments together. They then have stabilization amendments, and they put a feel good article before one that they know is going to be contentious.

Fletcher said that the preservation article was moved up. Bartha said that they wanted it close to the discussion regarding the fund.

Calhoun said that a Town Meeting member can request the order of the articles to be moved.

Bartha said that he had nothing to compare it to. He explained how it was done in Avon, CT.

Trask brought up a letter they received from Habitat for Humanity for the Putnamville School.

Bartha said that he reached out to the Blue Knights Motorcycle Club that uses the school for their meetings. The club pays the utilities. He spoke with someone to confirm that they existed, and he was told they liked where they were.

Calhoun confirmed that the school department gave the building to the Town a year ago.

Bartha said that the Selectmen and Karen Nelson need to go to one of their meetings. The club has done a lot of work on the building.

Trask said that they participate in a lot of motorcycle runs.

Calhoun said that you can't tell what is going on at the school.

Calhoun confirmed that they did not pay any rent, but they paid the utility bills and did maintenance.

Bartha confirmed that they paid the expenses of the building.

Trask said that the school department did not want the Putnamville School on their budget.

Calhoun said that Habitat is looking for Town-owned properties that they may use. Gates said that there are a number of properties that have been on the Town's books for a long time. Fletcher confirmed that there were three properties viable for housing.

Gates asked if they would be able to petition the Town to have Habitat do something with these properties.

Bartha pointed out that a competing interest could be a park in the neighborhood.

Calhoun said that they could direct Habitat to these three properties. It may take a couple of years. One by one, we can buy the property for back taxes.

Alden felt it would serve the social need and put it back on the tax rolls.

Trask said they will have opposition. People think that this is open space. It will be like the opposition to the Rail Trail.

Bartha suggested that the Trust have the conversation once at Town Meeting about the three properties for Habitat to develop. This would have the properties lined up to do the work.

Calhoun said that based on what Bartha has said, the Trust needs to say that they are looking into the issue.

Calhoun said that Preston can be told that the Trust is looking at other properties, and we will let him know. Fletcher said that he knew this.

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

Fletcher said that the project at 78 Holten Street has a tenant in the affordable unit, but they are still moving through the process with DHCD.

Calhoun asked what the rent was for this property.

Fletcher pointed out the packet that set forth the rents of Conifer Commons.

Trask said that a person would need to make \$21.00 per hour based on these guidelines from the DHCD.

Alden said that they do not take daycare into consideration. Thirty percent of income is not a realistic number.

Gates said that the bank uses that percentage, but they also take into consideration what other obligations a person may have.

Calhoun asked if \$41,400 was sixty percent of median income, and Fletcher confirmed this.

Gates asked if they recheck income levels. What happens if you make more money? Fletcher said that if income goes up, rent goes up.

Fletcher said that they do allow a utility allowance. Calhoun thought that the printout of the rents was helpful.

Trask asked what non-supported housing meant, and Fletcher said that this meant that they do not have a section 8 subsidy.

Financial Report:

There were no changes to the financial report other than the addition of interest earned.

A motion was made, seconded and unanimously voted to approve the financials.

Trask asked the Board about the summer schedule for meetings. A suggestion was made to have the June meeting and forego the July meeting.

Fletcher provided the Board with a copy of the Declaration of Trust. She told the Board to review the Trust, and see whether the Trust could help Community Council based on its charter.

Fletcher said that she would ask the director of Citizens for Adequate Housing to come to the next meeting which would be held on June 17th.

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

Alden said that the Town of Needham has approved a 390-unit 40B project. Contrary to what he stands for, they are putting three five-story building within an industrial park.

Trask said that there had been a proposed project to convert an office building to affordable housing units behind the Sheraton. He asked if there might be an opportunity to start discussions and have a friendly 40B. He asked the Planning Board to talk to Bartha to reach out to that

developer and see if they are still interested in this project. Fletcher said she would call to see if anything had changed.

Trask said that there could be a discussion to construct one-bedroom units.

Bernson confirmed that this would mean the building would then be taxed at a residential rate.

Trask agreed that this would be a tax loss to the Town.

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

The meeting adjourned at 9:00 p.m.

Tish Lentine
Clerk