



DANVERS AFFORDABLE HOUSING TRUST

TOWN HALL, DANVERS, MASSACHUSETTS 01923
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Minutes October 15, 2015

Attending: Gardner Trask, Sally Calhoun, John Alden, Tish Lentine and Stacey Bernson

Staff: Susan Fletcher and Francine Butler

New Business

Calhoun said that she has been thinking about ideas for ways to create more affordable units such as Section 8 vouchers.

Fletcher suggested meeting with realtors, and Lentine felt they should meet with property managers instead of realtors. Trask asked if the Section 8 process is laborious for renting to those who qualify for Section 8, and what was the incentive for a landlord to rent to Section 8. Lentine stated there are incentives. Once the property is improved, you can increase the rent. Calhoun said that the rent would be at market rate.

Trask said he wanted ideas. If they want to think about Section 8, maybe they can have a Section 8 specialist come to talk to the Trust. Fletcher said she would check with Cindy Dunn.

Calhoun said that she is trying to think of some concrete action for getting more affordable units. She thought that maybe they should go meet and talk to other people to find out how things work. Is there some role that the Trust could play?

Alden asked if there was an ability to get more Section 8 funding to be sure there is more room for Section 8 to grow. If there is an avenue, and there are people that would be willing to rent, would the money be there?

Calhoun said that there are families who could be supported with Section 8 vouchers. She asked if there may be another way to have housing that is inexpensive enough to allow affordable housing units.

Fletcher said that one way would be to have the Trust providing subsidies. However the Trust does not have a steady revenue stream and any long term subsidies would deplete the funds we do have.

Calhoun said that the focus has been on homebuyers, getting units on the SHI and getting our numbers up in order to be able to avoid inappropriate 40B projects. What she is thinking about now is rental housing, and that is a significant departure from what we have been doing.

Fletcher said that the Trust has invested in the rental properties located at 24 Cherry Street and Conifer Hill.

Calhoun asked if a family moves into Conifer Hill, are those funds Section 8 and Fletcher confirmed this was true. Calhoun asked how many units were affordable, and Fletcher said 90.

Bernson pointed out that the theory is that the more rental units that are created, then the market would adjust itself.

Calhoun has noticed a lot of apartments and multi-family housing in town.

Trask stated that when family members no longer live in an EFLA unit, the EFLA use also goes away. He asked if the owner could be allowed to keep the EFLA if it was rented as affordable. He asked the Trust if they would want to embrace renting it. Alden confirmed that this would happen when a family member no longer uses it. Trask felt that the homeowner could either rip out the EFLA, or convert it to a rental unit at an affordable rate.

Calhoun pointed out all the commercial spaces and rental opportunities on the upper floors of the downtown area along Route 35. She felt there had to be a solution to this problem.

Trask said Peabody has a greater number of trailer parks. He felt that this was not a solution, but it was better than the motel situation. He wondered if there was an opportunity to provide first month rent, last month rent and security deposit with a zero interest loan. Fletcher agreed that there are instances where people can afford the rent; they just don't have the resources to come up with the pre move in expenses.

Trask asked if there was an opportunity where the trailers are better than a hotel/motel room. Lentine pointed out that they tried to get the trailer parks counted in the SHI, but it was rejected. Bernson pointed out that the City of Peabody got them to count by going through the housing rehab program and placing an affordable housing restriction on the property.

Trask pointed out that trailers sell for an affordable price. He asked what if the Trust found 10 trailers on the market, bought them and used them in some manner. What if the Trust helped subsidize the down-payment for a trailer? Calhoun said that the Trust does not want to be become a landlord.

Trask felt they could facilitate the purchase by giving them a down-payment. Fletcher pointed out that there is a \$10,000 match for a first time homebuyer. Trask asked if there was some sort of subsidy to buy one of these.

Bernson said that Peabody surveyed the trailer parks, and less than ten percent of the occupants would qualify for their programs.

Trask told the Board that Josh Clark spoke at the last meeting of the Selectmen about the residents of the hotels/motels, and Rick Bettencourt started talking about crime and sexual

predators. He said that Calhoun spoke up and said that the shooting that they were talking about did not take place in one of the motels that currently houses homeless families.

Trask said that a former firefighter from Middleton that was burned out of his home and living in one of the hotels spoke up at the meeting. Calhoun said that the firefighter stated that a lot of the people living in the motels were afraid that there was going to be a vote that they needed to leave the next day. Trask felt Ethan Forman did a disservice in his article in the Salem News, because he tied in the crime and shooting with the homeless people in the motels. This got people riled up. Trask felt that the firefighter speaking up it put a face to what they were talking about. It took the anger out of the room. Calhoun agreed there are a lot of issues in the motel room such as mold. She asked if there was something else that folds nicely into what they are doing.

Alden said that they keep touching on the fact that they need to better inform the people in our community that keeping the homeless families in the motels is a drain on our community.

Calhoun said that she knows that there are some types of housing that have five-year waitlists. These long waits are why there is a need for these emergency shelters. She noted that a lot of the programs are too complicated for her to understand. She asked how people find their way through the system.

Trask asked Bernson if Peabody had a zero interest rate loan for down-payments, and she did not know of any. He asked if they can find out if there are local initiatives. He wants to know if things have been tried and not been successful. He asked if there are any initiatives through NSCAP or through the MMA. He wondered if there were any successful models to go after for first month's rent and last month's rent at a zero interest loan. His preference is a loan. He is looking to help people who need help based on their income levels.

Fletcher said that she can put a question on the Planner's Listserve to see what they get. She thought about hosting a meeting in the spring of other housing trusts to see what is working for them.

Lentine asked what kind of laborious process would it take to permit the space above the downtown commercial properties for residential use? Fletcher said that with the grant from DHCD, MAPC and the town's Planning Board will be working on developing an overlay district that would allow for housing in the Downtown.. The study would go from Purchase Street to the Ma Duke's area to Mackey Funeral Home. It would include Maple and High Street.

Bernson said that presuming the overlay district goes through, they could provide financial incentives to create affordable units in the mix.

Lentine asked how long the process would take, and Alden said about a year.

Calhoun said that affordable units are only for new construction and homes being built. Fletcher said that hopefully in the overlay district there will be language for rental as well as ownership. Bernson said that the language could be the creation of new living units.

Conifer Commons

Fletcher said that the project is fully rented. Trask asked if the units are on the SHI, and Fletcher said she was told that they were going to be on the list when it comes out.

Trask asked about the land behind North Shore Community College. He said there is an opportunity to re-open the discussions with the owners of the building to be converted and the construction of another building next to it. Fletcher said that she would reach out to him.

Lentine asked what was going on with the hospital property. Trask said that the property had been sold to another company, and the intent is to open a white-collar rehab facility. Fletcher said that there are a number of people who are addicted, and they are not comfortable going to places like Lawrence and Lynn for treatment. Trask said that they were going to cater to higher-end addicts. Fletcher said that it is zoned for hospital use so this would be an allowable use. Bernson confirmed that the rehab facility would be voluntarily.

356 Andover Street

Fletcher said that closings are still happening but all of the affordable units are either occupied or under a purchase and sales agreement.. She said that the HOME funds are now depleted until money is returned, or the new funding from HUD arrives in July.

She said that Rose Court is affordable in perpetuity. She also stated that our loans have in some cases eliminated the need for the buyer to have private mortgage insurance (PMI) Lentine said that finance programs have changed, and many have eliminated PMI.

24 Cherry Street

Fletcher said that she was still working with Cindy Dunn getting the property on the SHI; it does not happen automatically. .

River Street and Holten Street

Fletcher said that River Street is in the pipeline.

With regard to Holten Street, the DHCD is working hard with the consultant trying to get this property on the SHI.

The consultant sent her an email today asking if they can state that the Town will take over the income qualification after the first year. Knowing the owners and their lack of knowledge about DHCD regulations, she thinks this is a good idea. Fletcher said that for a rental unit to stay on the SHI, they need to be qualified every year. Trask asked if Cindy Dunn would be able to help them with the income qualifications.

Venice Street.

Fletcher said that she would try to provide more information about this project.

Financial Report

Lentine asked if the Trust funds can be better invested.

Trask asked when the Trust would be audited, and Alden asked who would do the audit. Trask said it would be an independent auditor. The Trust members were informed that the audit of our funds was included in the overall audit of the Town.

Minutes of September 17, 2014

A motion was made, seconded and unanimously voted to approve the minutes of September 17, 2014 as written.

Housing Production Plan

Fletcher said that they had received the official letter stating that the Town's Plan has been accepted and that it is good for five years.

Fletcher said that the possible zoning initiatives will remain a standard agenda item.

Alden said that he does not want the language regarding EFLA's to become too cumbersome. He does not want to overload them with suggestions for Town Meeting, but he asked if the Planning Board would be acceptable to a couple of things. Fletcher said that she would speak with Kate Day. Alden said that all of the EFLAs have a finite ending. He does not want to put too much on the table.

Trask felt they would be taking our current inclusionary zoning and modifying it to not allow a variance or finding to supersede the language and extend it to other zones.

Fletcher said that the variance route is tricky. The variances that are being granted would not stand up in court. We cannot supersede state legislation as to why a variance is granted. Bernson said that you could have inclusionary zoning that states all new units. Fletcher pointed out the language is now a paragraph in our multi-family zone. Trask felt that maybe it should be language that stands alone. He felt Edmund's Cove should have given some money or unit.

Calhoun confirmed that all documentation has been signed relative to the Trust documentation.

Trask asked if they want to engage the Planning Board about extending the inclusionary zoning to create new units. He wondered if the language could be lifted out of the multi-family provision. Susan suggested leaving it where it was and adding it somewhere else. Fletcher confirmed that she would speak with Kate.

Trask asked when they are going to be audited, and Fletcher said that it already happened. Trask asked that Fletcher specifically ask that the audit report mention this Trust. He wanted to know what their findings were for the Trust. Fletcher said she would look into this. Trask said that he wants to point to something that says that the Trust was audited. Alden felt this was very

important because there are not many trusts/committees that spend money the way this Trust does. On an accountability factor, it is nice to know that we were part of the audit.

The Trust confirmed that the next meeting will be held on November 19th.

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

The meeting adjourned at 8:45 p.m.

Tish Lentine
Clerk