



DANVERS AFFORDABLE HOUSING TRUST

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

Minutes November 19, 2014

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

Planning Board: Kate Day, Margaret Zilinsky and Kristine Cheetham

Zoning Board of Appeals: Richard Maloney, Robert Pariseau and John Boughner

Staff: Susan Fletcher and Francine Butler

Presentation by Staff from Code Administration and Planning Regarding the Creation of Affordable Housing Opportunities, Review of Past Efforts and Outcomes, and Discussion of Future Options

Richard Maloney, the Building Inspector, presented a PowerPoint presentation. The slides included the following topics:

1. How Housing is Created
2. Multi-Family Affordable Housing Provision
3. Housing Created 2011-2014
4. The Numbers
5. Case Study

Maloney said that the Multi-Family Affordable Housing Provision presently calls for any multi-family residential project of five or more units be subject to approval by the Planning Board Special Permit process and, depending on the size of the project, provide one or more affordable housing units.

He stated that in 2010, the Town was 94 units short of having 10% of our housing stock included on our SHI. He indicated that 278 units had been created from 2011 through 2014, and Danvers is now 13 units over the requirement. Maloney said that they were trying to get the accurate number used for the 2010 census number of 11,071 housing units. He felt there were quite a few projects that demolished existing dwellings that were still being included in the 2010 census.

Maloney said that there is a huge cost in getting an affordable unit on the SHI. He used the project at 78 Holten Street as an example. It cost \$15,000 for the fee and consultant to submit the application. He also explained that since this unit is still in process, the affordable unit has

not been rented out, and the developer is losing rent money as well. Maloney said that they had sat down with this developer and he had informed them that the bank financing the project devalued the property over \$200,000 over the life of the loan due to the affordable unit.

Trask said that these fees were high, but the Trust has a threshold of what they can contribute to projects.

Gates asked why it was so expensive to get affordable units on the SHI. Maloney said that with the new governor they hope they can have the discussion regarding this cost. Here in Danvers trying to be proactive, but it is so difficult and costly to get these units approved.

Fletcher pointed out that the \$4,500 fee to file the application did not differentiate between 1 or 70 units. After the initial application fee, you still have to hire a consultant to prepare the paperwork to include the unit on the SHI, and do the selection process. The DHCD has a list of the people qualified to prepare the paperwork. In the past Mass Housing offered trainings to prepare the paperwork but this has not been done in a while and, as a result, there are a limited number of 'approved' consultants to do the work.

Cheetham said that they wanted the units integrated. The idea was that they did not want to build a project of all affordable units. Other communities are struggling with the same thing.

Calhoun asked what was so complicated about the process, and why was there a requirement to pay \$4,500 up front.

Boughner felt there were going to be very few people who would volunteer to do an affordable unit in the future.

Fletcher said they were going to look at working with the state to see what they could do about changing some of DHCD's internal processes. This would not necessitate a change of the law, but a change in some of their procedures and protocols. They also want to see what the Town could do to subsidize an affordable unit.

Calhoun felt even before subsidizing the unit, you need to understand why it is necessary.

Calhoun asked what a finding meant.

Maloney explained that there are non-conforming uses all over Town. 78 Holten Street was located in an Industrial-I zone, which allows businesses of all types. If you have a non-conforming use and want to create a different non-conforming use then it is up to the ZBA to 'find' whether the new use is more or less detrimental than what is presently there.

Trask said that Dan Bennett was upset about the density of the Jones Boys project. The applicant was going for a finding. We do not understand why conditions could not be put on the finding. Why wasn't some sort of affordable provision done with the project? It could have been a monetary contribution.

Pariseau said that they pleaded with the lawyer on numerous occasions to get an affordable unit out of the project, and she said they could not do that because of the cost of the project. We felt that we had a very bad piece of zoning that was a contractor's yard in our downtown, and we wanted to get it out of that area. He pointed out that even David Mills stated that you cannot beat a developer into providing an affordable unit.

Maloney felt that the number of units at the Jones Boys project was better than having a contractor's yard at the site. All contractors' yards are a mess. They viewed this as getting rid of the contractor's yard forever.

Pariseau said that Thompson has indicated he would not do a project with an affordable unit.

Trask asked if the zoning bylaw was too restrictive.

Pariseau felt that there has to be some assistance with the fees to be attractive.

Trask asked if the threshold should be changed should he want to build a 15-unit package.

Cheetham said that the project on Elliott Street (Edmunds Cove) was 23 units, and DEP sent the project back. The developer then came back with 13 units and got a dimensional finding through the ZBA. She pointed out that the Home for the Deaf was also done with a finding. Cheetham also pointed out the project on Holten Street between McKinnon's and the gas station, and Maloney said that only one unit was added to that project.

Pariseau felt that if they were going to pursue this, they needed some help to provide an incentive for it to be done. He stated that with a finding, the project is found to be less detrimental than what is presently there. He stated that a project can be done off site, but the Zoning Board has a problem trying to extract that.

Fletcher said that they could try to make the process easier financially. There is a study being done in the downtown area, and maybe they could look at a strategy of how the developer can provide an affordable unit.

Zilinsky said that she was appalled at the State requirement that you need a consultant to have the unit certified. She felt they should speak to the State about this. The Planning Board has an interest in making affordable housing.

Cheetham pointed out that they have gotten mitigation funds with waivers. She felt in lieu of a unit, some sort of contribution should be made.

Trask asked if they can now deny a 40B project since they are over the ten percent threshold, and this was confirmed.

Bernson asked if a fee schedule was provided. Could that be used in lieu of a unit?

Trask said that would be difficult.

Maloney said that mechanisms need to be in zoning for affordable housing.

Trask said that at the Planning Board level is our only opportunity.

Maloney said that Town counsel believes that if you create housing over five units, the developer would be tied into it, under the findings provision. He said that most people stop at four units.

Pariseau stated that they are now 13 units ahead of the threshold, and this is the time to approach representatives to tell them we are fighting to do this, and their help is needed.

Trask pointed out that Governor-elect Charlie Baker would address this when he gets into office.

Maloney stated that here is a community that is trying to provide affordable housing, and there are roadblocks. Jay Ash should be approached along with the representatives.

Trask asked if the language could be put in other sections of the bylaw, rather than just being a multi-family provision.

Maloney pointed out that there are not a lot of big tracks of land remaining. There is land behind the Danvers Home for the Deaf, and Whipple Hill may be coming.

Day said that selling this provision on a subdivision basis may be very tough. Multi-family development is a form of development that pays its own way.

Cheetham stated that one question in the Housing Production Plan was the statistic of housing that do not count on the SHI. Our housing stock tells a different story. She said she is curious as a planner about other housing in Town that is affordable, but does not count on the SHI.

Trask said that the DHCD philosophy is affordable units, but the certification is only through the deed restriction. He felt these affordable units met a social need.

Fletcher said that the Venice Street units were accepted by the DHCD, but they told her that those units were already affordable.

Cheetham felt it would help them to know the real numbers.

Fletcher said that some units that are affordable but not on the SHI are the first-time homebuyers that are at 80% of the median income.

Day felt given the constraints of the consultant, maybe they should get someone on staff to help people get the unit on the SHI. Could there be an in-house consultant?

Trask suggested talking to the housing authority to see if they could get units certified.

Bernson pointed out that the consultant also does a marketing plan. Maybe the Trust could create a boilerplate that could be used.

Boughner felt if they did adopt language through Town Meeting, contractors would develop one unit less to avoid the provision.

Maloney said that people are not converting homes because of the new sprinkler system requirement. They just develop one unit less.

Day said that inclusionary zoning is tricky. They want to attach it to a Special Permit. The developer knows that it is going to cost them something. They have full knowledge that they are getting something extra for exchange of giving up something good. When you start attaching affordability requirements that would be allowed by right, people may wonder if this is excessive.

Maloney said that with cluster zoning the developer is allowed smaller lots and they save on utility runs, paving, and we get open space. We all get something in this project. He said that subdivision regulations are by-right. The density can be changed with a Special Permit. He suggested that there be a Special Permit provision in a cluster subdivision that increases density if they want to contribute something.

Day felt this would be a worthwhile discussion.

Trask asked how that question would be answered for Whipple Hill.

Maloney said there was a lot of debate at Town Meeting regarding this Multi-Family Affordability Provision because people were scared. This is the first tune-up. Based on the numbers, it seems that we have been doing what we have been supposed to do. This may be much ado about nothing since the bulk of the building will be under the Special Permit provision.

Cheetham felt they needed a guiding document to have more teeth in the finding process.

Maloney pointed out that the density for the Jones Boys project on Cherry Street was better than the surrounding neighborhood. It met the density and its own parking requirements.

Day said that in 2010 they created the Waterfront Village District which included the Multi-Family Affordability Provision. This year they took the opportunity in the Tapleyville area, which is overlay zoning in an Industrial-I zone, and this passed unanimously. She said that they have received a grant in the amount of \$15,000 from the DHCD, and have retained the services of the MAPC to look at the downtown area. The downtown has two large Industrial-I zones. There are no residential uses allowed in this area. The Planning Board has decided to focus on the Industrial-I area at Maple Street. The other question was whether to do an overlay or underlying zoning.

Trask asked if the overlay goes through, would the bylaw kick in.

Day responded that multi-families would be done by Special Permit.

Maloney said residential units would be on the second floors.

Trask asked if they were going to tackle the downtown area in three chunks.

Cheetham thought there were different uses happening. The central area has a lot of residential units, and the lower part has a lot of industrial businesses where housing is not intermixed in the zoning. They felt the downtown corridor should be revisited in another discussion.

Lentine asked how the apartment in the commercial building on Maple Street came about.

Maloney responded that it was a use variance.

Zilinsky said that this area reminds her of Tapleyville. There is a lot of open space at the lower Industrial-I areas near Route 128. If any objectives were put in place, they should be sure it blends well with the corridor.

Day said that the Lees were excellent partners when discussing the Tapleyville District, and are interested in an overlay district. This is a large piece of real estate, with a lot of possibilities.

Maloney said they should look at the way we zone. They could have housing above the first floor by Special Permit. The housing being created in the future will be subject to the Multi-Family Affordability Provision. Maloney said they could alter the finding provision and later the cluster zoning. He felt they could lower the overall housing count which would bump up the count of affordable housing units.

Maloney said that they want people to build. When an applicant comes before them with a project, they are always asked what they can do for the Town.

Day pointed out that Nick Pasciuto, the developer of 12 Cherry Street, was before the Planning Board to get Site Plan approval when the Multi-Family Affordability Provision was being debated. A condition was made on his decision that if the provision passed, a donation would be made to the Town in the amount of \$5,000.

Day felt they want a nexus between what is being asked for with what is being requested. She felt they need to be cautious that there is some sort of relationship with what is being mitigated with what is being harmed. She said that when Aria came through and wanted to configure some of their units, a provision was in place and the Town received \$70,000 for the configuration.

Calhoun said that they carved out new projects into the Multi-Family Affordability Provision with the overlay districts.

Minutes of October 14, 2014

A motion was made, seconded and unanimously voted to approve the minutes of October 14, 2014 as written.

Housing Production Plan

Fletcher said they should decide action strategies and what they want to pursue next. She thought they would like to have someone talk about Section 8 for an educational forum. She will talk to Cindy at the Danvers Housing Authority. The goal is to go through the action steps that were recommended and what we could do next.

Updates: Conifer Commons, 356 Andover Street, 24 Cherry Street, 56-58 River Street, 78 Holten Street, One Venice Street

Fletcher stated that nothing had changed regarding these agenda items.

Calhoun felt getting the units to count on the SHI showed a false structure on top of a structure. She is more concerned about finding housing for people that need it. She felt that this was why Section 8 and vouchers were where to look. They need to find more accessible homes for people stuck in hotels.

Cheetham felt that seniors, as well as their homes, are aging. There are people who are struggling and she asked if this could be tracked.

Fletcher stated that if there is a deed restriction on a property, you know that it is going to be affordable for a long time.

King felt that a lot of units deemed affordable are not affordable at all. Most people at Conifer Hill need Section 8 to live there.

Fletcher said that a lot of HOME money went into the project at 360 Andover Street. People were able to purchase an ownership unit. She agreed with King regarding the cost of rentals.

King felt they needed to think about what is affordable.

Fletcher stated that there was a demand for rentals.

Cheetham asked if the rents are out of range in the large rental communities in town. She knows that seniors want to downsize to downtown living. Cheetham said that the grant was small. She indicated that they had started to look at the Industrial 1 zones as a Board.

Trask asked what the incentive would be to put housing on top of the northern Industrial-I zone.

Fletcher pointed out that they picked an area which was similar to Tapleyville.

Cheetham pointed out that the Industrial-I area is similar to the Port, and these people came out when they were rezoning the port.

Fletcher pointed out that the difference between this area, the Port and Tapleyville is that the Port area subtracted allowable uses.

Lentine asked if they are trying to increase the number of housing units, could the industries move elsewhere.

Fletcher said that they will have plenty of time to work on this with workshops.

Financial Report

Alden asked the status of the DHAT mortgage for \$31,600 that was due on February 1, 2015.

Fletcher said that she was going to have an appraisal done for the property.

Lentine asked if there was an influx of applications for first-time homebuyers. Fletcher said there were no funds available for this at the present time.

Trask asked if they could get 55 Coolidge on the update list. Alden said that this project would be weather-tight by October.

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

Fletcher said that the next scheduled meeting of the Trust would be December 17th. A motion was made, seconded and unanimously voted to not have a meeting in December.

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

The meeting adjourned at 9:05 p.m.

Tish Lentine
Clerk