



# DANVERS AFFORDABLE HOUSING TRUST

TOWN HALL, DANVERS, MASSACHUSETTS 01923  
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## **Minutes November 25, 2013**

**Attending:** Gardner Trask, Sally Calhoun, John Alden, Don Gates and Carla King

**Also Attending:** Don Preston

**Staff:** Susan Fletcher and Francine Butler

### **Minutes of October 28, 2013**

A motion was made, seconded and unanimously voted to approve the minutes of October 28, 2013.

### **55 Coolidge Road: Closing with Habitat of the North Shore and Funding Request**

Fletcher told Preston that she liked the bid of \$55.00 for the property at “55” Coolidge Road. She informed the Board that they needed to execute a Deed and Trustee’s Certificate at this evening’s meeting.

Alden asked if this transaction could take place within the Zoning Board of Appeals 21 day appeal period, and is it legal to do this? Fletcher responded that they take the risk doing it, and Alden asked what would happen in the decision was appealed. Fletcher stated that she would have been concerned if someone had spoken in opposition to the proposal at the meeting. Alden wanted clarification regarding whether the transfer of the property to Habitat obligated the Trust to give them the \$72,000 that they were requesting. Fletcher responded no. The request for funding is a separate issue.

Trask stated that he along with Fletcher, Alden and King went to the Board of Appeals meeting where a finding and a variance were granted to demolish the existing structure at 55 Coolidge Road and construct a single family home at the site. Trask noted that the ZBA was looking for local preference to be included in the process used to select the family that will eventually purchase the property.

Preston felt that there may be a need to have an informational session with the Zoning Board of Appeals to help them understand what affordable housing is and define what income and local preference means within the fair housing law.

Trask asked Preston if there might be an opportunity for a public gathering to describe what is being planned on the site with neighbors, Planning Board, Zoning Board of

Appeals, Selectmen or whoever might like to attend. He felt Habitat could lay the groundwork for what they intend to do. Trask felt if you don't set expectations, people make things up. Trask felt it could be a kick-off for the project.

Calhoun asked Preston if this type of informational meeting was held before the Mill Street project started construction, and Preston responded that they did have a meeting with neighbors early in the process. He does plan to invite the neighbors to the site to inform them what they are planning to do. Calhoun suggested including an invitation to this group and others.

Preston said they were planning a meeting at the site with neighbors. They will schedule a meeting at the Maple Street Church to invite people interested in applying, and then have another meeting a month later. They will have a meeting for informational purposes at the 60-day period. He stated the biggest problem is having people apply, because a lot of people do not think they qualify.

Preston felt a Sunday afternoon would be best to have people come to the property and look at it. He stated that you only get a handful of people who are usually abutters. He would describe the landscaping that would be removed or would remain, and explain the building process.

Preston presented a draft flyer and draft Fair Housing Plan outlining the selection process for this project. The Fair Housing Plan needs to be reviewed and accepted by Habitat and DHCD in order for the housing unit to be included in our SHL. He stated they are trying to settle on the price of the house, which will probably be around \$130,000.

Gates asked how many applicants do they usually get, and Preston stated it is all over the board. They can get 10-15 applicants, but a lot are quickly disqualified because they either do not make enough money, make too much money, or have credit issues. He stated this is a great neighborhood with a great location, but it is not near public transportation, which is a downside for them. Beyond that, it is perfect.

Preston stated that the draft Fair Housing Plan did include local preference. You cannot discourage people from applying, but they have to qualify. Being from Danvers is not one of the qualifications, but it adds points to their application. If you had two similar applications, the application from a Danvers resident would prevail. He stated that they need to have the family on board prior to construction since the successful applicant is required to participate in the construction phase.

Gates asked how many hours were expected from the qualifying family, and Preston responded it is usually 400 hours.

Preston informed the Board that the DanversBank Charitable Foundation had committed \$25,000 towards the project. Wells Fargo is also on board and a lot of corporations do corporate build days with their employees.

Gates asked if a construction supervisor was on site for this, and Preston confirmed there was.

Preston stated he is looking for \$72,000 from the Trust. The North Shore HOME Consortium would be providing \$30,000 in funding. He pointed out that the bid package also had the construction budget. He stated that you cannot predict where the gifts and in-kind services will come from. He described a project in Lynn where they partnered with one company that did the roof, windows and siding. The siding was then donated by a company that the first company partnered with. Trask wanted confirmation that the North Shore Home Consortium Funds did not come from the Trust's source of income, and Fletcher confirmed this.

Gates asked how much Habitat typically raised and how it was done.

Preston stated they have an auction in early fall and had a dance a week ago. They also have an annual mass mailing soliciting donations..

Trask asked how much was contributed by the Trust for the Mill Street project, and Fletcher responded \$50,000.

Trask stated that they have spent close to \$50,000 to acquire this property from the Town. If they donated \$72,000, this would raise the participation in this home to \$120,000. He felt this was a sizable amount.

Alden stated he shared the same concerns since they already have invested in this project. He does not want to set a precedent, and he can't justify going that high for a single family home. He is concerned that funds will be needed at the end of a project.

Gates stated if we had six or seven of these projects, the Trust would be out of money quickly. He pointed out the \$50,000 contributed to the Mill Street project was for two units. This is a single family home and, we already have invested \$48,000. He asked Preston if there were other sources of funding.

Preston stated that Habitat is a non-profit, and they need to fundraise for everything. The affordable housing at Mill Street had a subsidy for those units of \$100,000 each. There are hard costs to building a home, and it needs to be subsidized in order to make it affordable. He stated that he will be going to the Federal Home Loan Bank (FHLB) for funding. This location will not get as many points as he would get on another site because of the income level of the neighborhood, and it is not near public transportation. He received \$60,000 from the FHLB (\$30,000 per unit) for the Mill Street project.

Gates asked Preston, based on his experience, did he expect that he would get something from the FHLB. Preston responded yes. He felt it would not be more than \$30,000 and it could be less.

Gates asked if he had any other funding sources. He pointed out if Habitat got \$30,000 from the FHLB, they would not need \$72,000 from the Trust. Preston responded that they would not know the answer to that until the spring. King asked what would happen if Habitat did not get a commitment from the Trust for that amount of money, and Preston responded that they would have to look elsewhere. Trask pointed out that the Trust does not want to say no, but they would like to wait and see if there are other funding opportunities for Habitat. Fletcher stated that additional funding from the Trust could also provide a match for other funding opportunities. Gates stated that there is a good possibility that the FHLB would do something, and maybe we would commit to matching those funds. Calhoun agreed.

Alden stated that he could support a commitment to match the federal money up to \$25,000. Gates stated if the FHLB came up with \$30,000, the Trust could match the \$30,000. There are possibilities to get the shortfall. Trask stated he would feel uncomfortable saying no, and he would feel uncomfortable to committing to the \$72,000.

Calhoun asked the Board if they felt comfortable voting on this tonight. Preston stated if the Board was comfortable voting to contribute \$20,000, that buy in would help market the project. Trask stated that they could motion for a minimum of \$20,000, and go up to \$30,000. King stated they could commit to \$20,000, and leave it open-ended so Habitat could come back.

Gates motioned to commit \$20,000 to the project with the understanding that Habitat could come back and request additional funding. King seconded the motion. The motion passed by unanimous vote. Fletcher stated she would issue a letter to that effect.

Trask asked to be notified about the neighborhood meeting.

Gates asked Preston if the property was going to be a slab foundation. Preston confirmed it would be a slab. He stated they would dig a test hole, but the word is no basement. They are going to build it up in order to run the utilities underneath.

### **Housing Production Plan: Goals**

Fletcher handed out the sample production plans that Lynne Sweet had sent to the Board.

Gates thought they both looked similar.

She asked the Board to look at the first page, and asked if there was anything they wanted to add or eliminate under goals.

King would like to get more minorities in Town. Calhoun agreed that a goal to increase diversity would be good.

Fletcher stated that could be a goal. One thing that she noticed is that there is nothing for individuals. It referenceed only families and seniors.

Gates pointed out that first-time homebuyers could be individuals.

Calhoun stated that one of the goals listed is affordable rental properties. She stated that young adults that have just graduated are vastly underemployed and in need of housing.

King stated to change it to individuals and families.

Gates confirmed to change it to individuals and families, and the Board agreed.

Calhoun stated that they cannot discriminate. Senior housing should also be included.

Gates stated they should increase affordable home ownership opportunities for first-time homebuyers for diversity.

Trask state that each of the income levels should have the addition that you are suggesting.

Calhoun agreed to making a separate bullet for diversity.

Trask agreed to increasing ethnic diversity to encourage affordable housing.

Calhoun did not agree for diversity to be the first bullet. The first goal should be affordability, and the second goal should be to increase diversity in our community.

Trask felt it should encourage housing opportunities for families, individual seniors, and encourage diversity for those who meet economic guidelines.

Calhoun stated she did not want set limitations, and Trask stated that you need to.

Calhoun stated it is fine to have a broad goal for a family size of four, but under Habitat guidelines, they have an income limits.

Trask stated if a family of four comes to Town and they are above the 70% or 80% AMI, the Trust's charter is not to support that.

Calhoun asked if you say diversity of people within this limit, are you not saying that you are trying to get poor people?

Fletcher pointed out if they are at 80% of the median area income, they are working. There are boundaries to the mission of this particular group.

Trask stated he liked adding diversity. It does not matter who you are, you need to be under a certain income level.

Fletcher stated you are dealing with working people that have jobs. She will ask Lynne Sweet how to get that point across. The Board has identified that they want to state individuals. We want to be inclusive and include both individuals and families.

Fletcher asked if the Board agrees with the strategies.

Trask stated he would change committee members to broaden that it is not just to this committee. He would broaden this to “train local government officials and employees.” He felt educating the public is a good strategy.

Trask would like to utilize funding from the Trust to facilitate and foster opportunities for affordable housing. He felt the need to come up with a strategy of creating a guide of financing options for landlords. King stated there are a lot of programs out there that allow lower rent. She liked the idea of having it in one place where landlords and tenants can access it like a resource guide.

Trask asked the Board what they thought about the Trust funding some type of rental subsidy program.

King felt people could come to them on a case by case situation. She felt if a low income homeowner needed something, the opportunity should be there for them to come to the Trust.

Trask felt they could offer some sort of grant to someone that is not low income. He suggested putting a deed restriction on their home if they were given funds. This would encourage people to stay in their home. They could do an affordable housing credit, but it would require a deed restriction. It would allow the elderly stay in their homes, and transition there is an affordable unit ready.

Trask felt they should examine whether green construction should be part of their charter.

Fletcher thought it was good, and pointed to the energy star Mill Street project. The energy bills are low. This is a long term economic factor that increases the affordability of the housing.

Trask felt it would be good to offer a philosophy about zoning and its effect on affordable housing. Fletcher pointed out that property owners in the downtown are seeking variances to allow for residential uses in commercial zoning districts that do not allow for a residential use. Calhoun felt they should amend zoning bylaws to encourage and expand the bylaws, such as mixed-use zone.

Calhoun noted there should be a reduction of fees for applicants that will be offering affordable housing. Trask agreed that there should be a waiver of fees for affordable housing developments. Fletcher stated she would give this suggestion to Lynne Sweet.

Trask questioned what was meant by 'preservation', and Fletcher explained that this referred to preserving the affordability of the unit when the Affordable Housing Restriction expires

Fletcher felt that the points raised during this discussion would provide Lynne Sweet with some guidance as to what is to be included in our plan.

### **Regional Housing Services**

Fletcher stated this was initiated by Saugus for developing a regional approach to affordable housing and they have met three times. She stated that some communities share a staff person to assist them in creating affordable housing opportunities. Fletcher stated that sometimes you need more expertise than existing staff can provide. In the regional approach, you would share one employee, and the communities would be billed for the usage. She stated that the percentage was a guess since we are a new Trust. She is not sure this is going to happen, but she is looking for their input. She pointed out that it is an expense. Fletcher said she was hesitant because she believes in the regional approach, but since the Trust is relatively new it is unclear what the Trust's needs will be in the future.

Gates asked if we could join sometime in the future.

Fletcher agreed. Fletcher stated that she could not think of \$11,000 worth of work they could benefit from at this time. Gates felt that they would have the opportunity down the road. He asked what the consultant thought, and Fletcher said she would ask.

### **Multi-Family Zoning Amendment**

Trask stated that the inclusionary zoning language discusses comparability for off-site units to be the same number of bedrooms as the on-site unit.

Fletcher stated that the proposed Tapleyville Overlay District will allow residential uses as well as the currently allowed industrial uses.

### **Other Tax Title Property**

Fletcher stated there was nothing to report.

Trask stated he would like to work with banks regarding short sales. Calhoun stated that short sales are difficult because they are approved after the homeowner has an executed Purchase and Sale Agreement. It is specific for one transaction.

## **Updates:**

### **Conifer Commons**

They have filled the affordable housing units for Phase 1. She stated that it is difficult because a lot of them are 80% income. There are only two units that include a subsidy.

Trask asked when does Mill Street and Conifer Commons become included in our SHI.

### **356 Andover Street**

Fletcher stated they are passing papers in mid-January. She stated that three of the purchasers are also receiving HOME funds. The Trust now has \$41,000 remaining. Fletcher stated it has been a good match. These are at 80% income.

### **24 Cherry Street**

Fletcher reported that construction is ongoing.

### **One Venice Street**

Trask stated he went to the Planning Board meeting, and the Planning Board accepted the unit with the conditions the Trust suggested. The Planning Board granted the developer some occupancy permits so the project could continue.

## **Financial Report**

Fletcher stated there is \$41,000 remaining in the HOME funds. They have three mortgages from the Danvers Housing Assistance Trust, with one person making a payment of \$600 per month. They will be coming due in a year or two. Trask asked if they were balloons or straight mortgages, and Fletcher responded they were balloons.

## **New Business**

Fletcher got a visit from the owner of a property near the Danvers/Middleton line. It is a six acre parcel of land with an existing office building which is at 30% occupancy. The building is struggling, and the owner is proposing a friendly 40B. He would refurbish the building and build a new building. Fletcher stated that 25% of it would be affordable to people at 80% of the median income. There are a number of residential areas around the site. The developer needs to do something with the building other than what it is zoned for. All the units would be in Danvers.

Fletcher stated the owner is coming back in January with a conceptual drawing to meet with staff and get input.

Gates asked if the buildings would be connected, and Fletcher was not sure.

Calhoun stated that the housing at the state hospital site has been identified as a troubled place with a lot of police calls. She is concerned that this is another remote spot. Trask pointed out that right now it is a volume issue. If you were to measure per capita, it is no different than the Woodvale area. Fletcher stated presently the property owner is talking about 250 units. Avalon has many more units.

Alden felt that they were creating more units on the outskirts of town. He felt the development would require a new school. This type of development could strain the Town's infrastructure.

Fletcher stated that the state requires 10% to be three-bedrooms. Most of the units will be one and two bedroom units.

Trask stated that the issues that will be raised will be traffic, water, and schools. The traffic is already there. More residential water will be used, and school systems could be affected.

Calhoun felt rents in town were being driven up because of these apartments. King said that the Avalon apartments at the former state hospital have amenities that drive up the rents. Average residential rents in other areas of town are not that high. Calhoun felt older buildings can't charge more in rent, because renters could go to the new units. Alden stated that the older two and three-family home rents are lower than the rents in these large apartments.

Fletcher stated since so much is going to the 80%, we should think more about the 50% and 30%.

Trask confirmed with the present projects, they were over the 10% mark until the next Federal census.

### **Agenda Items for Next Meeting**

The Board confirmed that the next meeting would be January 27, 2014.

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

The meeting adjourned at 9:10 p.m.

Tish Lentine  
Clerk