



DANVERS AFFORDABLE HOUSING TRUST

TOWN HALL, DANVERS, MASSACHUSETTS 01923
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Minutes January 20, 2016

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

Staff: Susan Fletcher and Francine Butler

Minutes of November 18, 2015

A motion was made, seconded and unanimously voted to approve the minutes of November 18, 2015.

Loan Modification Request: 53 North Belgium Road.

Fletcher said that there was a request from Susan Cunningham to pay off her mortgage for less than what is owed. Alden confirmed that this was a second mortgage on her house. He asked what the enticement was to take less. Fletcher responded that she did not see any. Gates asked if they knew the balance of the first mortgage and this was not known. Alden asked how old this loan was, and Fletcher responded it was a DHAT loan. Fletcher said that the other thing to consider is that the loan is structured to have no interest. After ten years, we need to engage an appraiser. The Town would share in the increase of the equity by the same percentage of the loan used to purchase the property. Trask asked if they would have to wait until the property is sold. Fletcher said that the property could be refinanced to pay off their loan.

Trask pointed out that she wanted to pay off the mortgage by closing out a 401K. Gates confirmed that she wanted to pay the Town less than what was owed. He did not understand the motivation.

Fletcher said that she has made payments on this loan voluntarily in the past. The borrower is required to make principal payments on a monthly basis after the housing costs (first mortgage, insurance and taxes) become less than 33% of the borrower's gross annual income. This determination is made each April after a review of the federal income tax return.

Gates asked what the amount of the first mortgage was, and Lentine responded \$309,600.00

Gardner said there was no pressure by the Trust to pay off this loan, and there was no benefit to the Trust to pay off early.

King said that she does not want to set a precedent.

Bernson asked what would happen if the loan became due and she could not pay. Fletcher responded that there is a precedent of extending the loan for a couple of years.

Gates said that he does not understand her motivation other than reducing her obligation. Gates felt that they should say that at this point in time they are not inclined to do this. He suggested telling her that in 2017, her situation may change and maybe she can sell her property.

Lentine suggested saying that the Trust can re-evaluate this when her loan comes due in 2017.

Gardner felt that she may be trying to lower her debt.

A motion was made, seconded and unanimously voted to decline the opportunity to settle the loan for a lesser amount at this time.

Potential Rental Assistance Program

Fletcher said that they have previously discussed the possibility of a rental assistance program. This will be more viable if CPA is passed in order to identify a revenue stream to fund it. She pointed out that the rental subsidy would have to be longer than just one or two months. She asked for thoughts from the Board.

King agreed that this cannot be done for just a few months.

Fletcher reiterated that this is not something that can be done for only a six-month period. Gates pointed out that they may be saddled with the obligation for five years.

Bernson asked if this could be administered through Fletcher's office, and Fletcher said that she does not believe that her office has the capacity to handle this type of program. She said that Reading, Wilmington and a few other communities have combined resources to hire a person to do yearly checks for administration. These communities did not have enough work to justify the administrative position for themselves alone. They could look to joining them and pay for the administrative services as they are used.

Gates said that they could allocate a specific amount to a rental assistance program. Fletcher asked if they should say that they only do it for a year, and then tell the party that they have to take it over after a year.

Gates asked if they could allocate an amount from the funds. He pointed out if they had a number of people on rental assistance, they could run out of money. This allocation would need to be done when a continual revenue stream is identified.

Community Preservation Act Update

Fletcher told the Board that the CPA Committee is trying to complete their research and outreach to the community about the advantages and disadvantages of becoming a CPA community in time to be included on the Annual Town Meeting in May. They will be meeting with a representative from the CPA coalition to answer any questions. They will be inviting town meeting members, the open space committee and others to a public forum on the issue that will be held at the Senior Center on February 29, 2016. She said that at the March 15th meeting of the Selectmen, a report will be made, and they may have a recommendation to put it on the warrant for Town Meeting if the community thinks they have had enough time to study the issue. If it passes at Town Meeting, it will go on the ballot in the fall.

Trask said that he spoke with Bennett and Bartha and told them that he was dismayed that there was not a request for a representative from this Board. He felt they should have a seat at the table.

Fletcher said that she felt Judy Lincicum would be cognizant of the issues and benefits of the CPA. She told the Board that Lincicum is a strong advocate and was formerly the Executive Director of the Concord Housing Authority and received funding for affordable housing from the Concord Community Preservation Committee (CPC).

Trask asked if these funds were going to come to the Trust or would the Town use it for their own use. Fletcher said that 10% has to be allocated to each of the three areas. Fletcher said that if Danvers becomes a CPA community than at CPC will be created. The CPC will advertise funding availability, review the submitted applications and forward their recommendations to Town Meeting for a vote.

Bernson asked if there were projections as to what the state match will be. Fletcher said that presently it is 18% but there is movement to add funding from other sources to increase this percentage.

Fletcher said that on February 1st, the CPA committee will be meeting with a representative from the CPA coalition. She encouraged members of the Board to attend to ask financial questions.

Trask said he was encouraged by the group. He felt that this year alone they have had two high profile historic homes and two high profile cemetery issues which could bolster the chances for CPA.

Alden said it is a process to get funds from the Town. The CPA process would make the funds streamlined quicker.

Bernson said that Andrew DeFranza had an intern working on a project in Peabody making a list of what other towns and cities had done with the CPA. It was noted that this information was also available on the CPA Coalition web site.

Trask said regarding the rental assistance, his preference is that he does not want a long term supplemental process. He would rather find a mechanism to get people into the community. The concern is that you get them into a rental, and then six months later they are gone. He would like to see a short term commitment on the Trust's part, and then have it taken over by the recipient. He suggested tabling the idea of rental assistance until they see what happens with the CPA.

Bernson said that she does not know if the CPA is eligible for rental. Alden felt this was a way to replace the Trust's monies. He agreed with Trask to see where a sustaining form of income like CPA comes from.

A discussion ensued as to when the CPA might go on the ballot.

Partnering with Danvers Community Council

Trask told the Board that they had decided at a previous meeting that the group wanted to support the Danvers Community Council in a manner related to some housing aspect. He said that it had to be tied to housing. Gates said that they do rental assistance. We discussed allocating a sum to the Danvers Community Council for the purpose of rental assistance.

Gates said that the funds could be allocated for rental assistance.

Trask asked if they needed more details. Fletcher said that they have a system in place.

Alden suggested allocating an amount of money and then requesting an accounting after a year. If they like how the process worked, the Trust could renew. However, they cannot have the assumption that they are going to receive this amount of money every year.

Fletcher wanted confirmation whether they were talking strictly rental assistance or whether it could be assistance for fuel and utility bills. Alden said that under the Trust's mandate, the money needed to go to pay rent or a mortgage. The council can help them with their rent, so they can afford to pay their fuel and utility bills.

Lentine asked if the Trust should ask for a history of what they have done in the past. King thought it was a good idea, but questioned why it mattered since their money could help them. She suggested giving the Community Council \$10,000.

Alden suggested contributing \$1,000 per month, which equaled \$12,000 for the year.

Gates told the Trust that the Community Council would be happy with whatever amount was offered. Trask said that he was comfortable with the amount and comfortable with the partnership.

King motioned to donate \$12,000 to the Community Council for housing assistance to be used for rent or a mortgage as of February 1st for a period of one year. The motion was seconded and it was unanimously voted.

Gates said that the Trust could get a report on a quarterly basis to see how quickly the funds were being utilized.

Trask asked if they wanted to do publicity for this. King said that if that happened, everyone would run to Community Council for money. Alden felt that they did not need publicity.

King said that she liked the idea where some people have lived in apartments, and landlords had to keep rent at a set amount for a certain amount of time. Alden felt this may be due to tax breaks.

Housing Counts Results

Fletcher informed the Trust that the housing counts were completed, and they had 135 more units than the census reports. They thought that the census did not take into account certain types of properties. Since Day and Maloney did this exercise, they now have a system to keep track of what comes on line. This is good for the future.

Lentine questioned if group homes were counted. Fletcher said that for the census, it is called a house. For the SHI, the count is based on the number of bedrooms. Fletcher said that there was a concern that EFLA's were being counted twice when it was really just one house.

40R and the Downtown

Fletcher said that the 40R was a good 40B. There is funding that the State will give a Town to be used for a variety of things. It could be a downtown fund for façade treatments, loans or signage for parking lots. It can be used for affordable housing in the downtown or rental subsidies. It is not a huge amount of money, but Day estimated that with one 40R development, the Town could see \$70,000. This would help make up for the single-family homes coming on line which will cause a deficit.

Bernson asked if 40R was instead of an overlay district. Fletcher said it was.

Alden confirmed that this would be passed through Town Meeting. Fletcher said that this would be a by-right. She pointed out that the property at 20 Locust Street technically was a 40R, but they got relief by a variance. They are reusing an antiquated industrial building.

Alden felt a 40R would help their cause. Fletcher said that it comes with a requirement of 20% being affordable housing.

Trask asked if they were on the Planning Board's radar for more inclusionary zoning. He said that they had reached out to the Planning Board to have inclusionary zoning in other zones. Fletcher felt it might not be the right time to bring up expanding inclusionary zoning with the 40R overlay also being considered.

Trask asked if findings through the ZBA could be subject to inclusionary zoning. Fletcher said that she was not sure that could be done.

Trask pointed out that with 20 Locust Street they asked and received a number of affordable units. He asked if there was a way to close the loophole of going for findings.

Potential Town Owned Housing Lot: 66 Holten Street (Map 50 Lot 192)

Fletcher said there was a lot located at 66 Holten Street owned by the Town of Danvers next to the Sears building. She asked the Board what they thought about using this for affordable housing. Gates asked if this was the lot with electric equipment at the back of the lot. Fletcher confirmed there were wires by the Rail Trail, but felt the lot was big enough for a house.

Trask said that this was discussed at the last Selectmen's meeting. This came up due to the Delorenzo's new boat yard on Elliott Street. The Delorenzos put down a gravel parking lot and were dry-docking boats on the site. The Town sent a letter to cease and desist, and they have removed the boats. The question now is how they are going to change the topography of the land. This brought up the discussion of businesses using the lot next to the Sear's building.

Trask said that Clark was upset that there was a precedent of businesses doing this and then asking permission.

Gates asked who paved the lot. Trask said that Sears paved the lot. Gates asked who parked on the lot and was told it was the building's tenants and local businesses. King said that the housing authority paved some of their property. Since the neighbors did not like it, it needed to be removed.

Fletcher felt this site was right across from a grocery store and abutted the Rail Trail.

Lentine said that there are small lots around Town. Tiny homes are a new trend, and you can get more than one bedroom in them. She asked if this was something that could be added to the Town's inventory. Fletcher said that it was, if it is deed restricted. Lentine asked how they could motivate people to build these. With the smaller lots and tiny houses, are there sufficient setbacks. Alden said that they are all existing non-conforming lots, and the process would have to be played out. Lentine said that this was a trend that was evolving, and it was an ideal situation with single parents.

Fletcher felt that they could see these small houses clustered. She felt this would not work where there was an isolated property in a neighborhood. She felt this would be more controversial with tax title lots.

Lentine felt this was a good opportunity to utilize land that is just sitting there. She said she would talk to Maloney regarding the dimensions for a house. Alden felt relief may be needed for one of the setbacks. Fletcher said that these were 11,000 and 12,000 square foot lots. Alden asked what the possibility was to put these small lots out to a builder for a fee to the Trust.

Trask said that he felt Town Meeting would say to sell the lot outright and use the full proceeds for the general fund. He said with Coolidge Avenue they made a strong enough case that the profit would not be significant. If you are going to sell the lot, the Trust will not get the money.

Trask said that the Town had properties that people are trying to buy. The Town has purchased property for water. The Town is not adverse to selling properties it does not use.

Trask said that there was a large tract of land off Elliott Street. It was confirmed that it was the Bradstreet Open Space area. He asked if four to five houses could be built on that lot.

Trask asked Fletcher to find out if the mobile home parks allow mobile homes to be sublet. He asked if the Town could own trailers and provide housing. Fletcher said that they would have to have someone monitor the rents. Trask felt that they would own the mobile home and then transfer it to someone that needs it. Fletcher pointed out that these were already affordable.

Trask felt this would make it immediate. Gates said that most mobile homes in Danvers are very old, which could create an issue.

Trask wondered if there was a way to work this out.

Financial Report

Alden asked if all the financials were going to stay the same with the changing of the higher level of management.

Fletcher said that they have a different financial officer. Trask asked that Ahern validate that interest goes to the Trust.

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

New Business

Trask said that he met with the new owner of the Village Green, now called Break Away. He is extremely interested in becoming part of the fabric of Danvers. There will be a music venue in the barn. He is planning on reinvigorating the function halls. He wants to get involved with fundraising. Trask told the Board that they should let people know that he is willing to donate a hall or part of a hall.

Agenda Items for February Meeting

February 17, 2017 will be the next meeting.

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

The meeting adjourned at 8:35 p.m.

Tish Lentine
Clerk