

Hamilton Affordable Housing Trust

May 8, 2018 – 6 p.m.

Memorial Room, Hamilton Town Hall

HAHT Members Present: Chair Russ Tanzer, William Olson, Marc Johnson, and William Massos

Town Staff Present: Director of Planning & Inspections Patrick Reffett; Hamilton Community Projects Coordinator Dorr Fox.

Chair Russ Tanzer opened the Hamilton Affordable Housing Trust (HAHT) meeting at 6:02 p.m. with a quorum present. Approximately 20 people attended the meeting. He welcomed new member William Olson.

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William Massos questioned some language attributed to him (page 4, paragraph 2). Marc Johnson said it sounded more like something he had said. They changed the attribution in two sentences to read:

“Mr. Wilson asked about next steps and Mr. Johnson said, after a motion is made, it would go to the BOS for a vote. Mr. Johnson said all the Trust can do is recommend it to the BOS, who would want to see the finished grant document.”

Mr. Johnson made a motion to approve the Feb. 27 minutes. Mr. Tanzer seconded the motion. The Trust voted unanimously (4-0) to approve the minutes with the two changes.

DISCUSSION OF GRANT AGREEMENT WITH HARBORLIGHT COMMUNITY PARTNERS FOR AFFORDABLE HOUSING AT THE LONGMEADOW SITE (LONGMEADOW WAY AND BAY ROAD)

Mr. Tanzer recused himself because he is a direct abutter.

Mr. Massos asked Andrew DeFranza if Harborlight were down to just the Willow Street project now. Mr. DeFranza replied there had been a change on the business side. Based on conversations with the existing owners of the property at Longmeadow, Harborlight is in danger of being sued on both sides of the parcel if they develop the 40 units there. (Prior to that there was danger on one side; now it's two sides.) His interpretation is that the owner of the back parcel is concerned whether Harborlight would be able to bear responsibility for what happens on the back parcel after the front parcel is developed. The economic scale

of the back portion is close to 100 units, so that could mean 40 units in the front and perhaps 100 in the back, totaling 140. A non-housing-related use for that land (schools, for example) has not materialized. Mr. DeFranza said Harborlight is willing to do the Willow Street project, but on a smaller scale, as a courtesy to the neighbors and to the Accord Food Pantry [which wants to relocate there]. They are also willing to do a project that's economically viable at Longmeadow and involves both parcels, but it would not be just 40 units; it would be closer to something like 100 units on both parcels.

Mr. Massos asked for details of Plan B, which now involves developing seven family housing units as opposed to 20 senior units. Ronald Huth, 34 Maple St., noted that doesn't do much toward meeting the Town's 40B requirements. It was explained that the reason for the change from senior to family housing is that if the smaller project at Willow Street isn't done in conjunction with the 40 units at Longmeadow (or other sister site), Harborlight is unable to use tax credits as the means for financing. To qualify for the other types of financing available, it has to be family housing.

Trust members discussed the possibility of Mr. DeFranza doing smaller-scale affordable housing projects in conjunction with other towns or joint-venturing with another developer. Mr. Johnson said the Longmeadow Study Group "ran to the ground" a municipal use. The land costs \$3 million. The Trust discussed everyone's fear—that a for-profit developer will "max out" whatever that land can handle. The State-mandated cap is 200 units, said Mr. DeFranza. Mr. Massos asked Mr. DeFranza if Harborlight could joint-venture with another developer, although Mr. Johnson pointed out another developer might want to develop something different there—condos, for example.

Anna Siedzik, 227 Highland St., urged the Trust to try and work with Mr. DeFranza to make the project happen (even if it were 100 units) as opposed to having someone else come in. Council on Aging Director Mary Beth Lawton agreed it would be best to try and work with Mr. DeFranza, although she said building 100 units there would be predicated on the ability to purchase the land. She detailed some history of the project, which she said was at more than 100 units at one point before it was scaled backed.

Mr. Massos said the threat of lawsuits is why Mr. DeFranza's group is backing off and posed the unanswerable question of how do they make the threat of a lawsuit go away. Mr. DeFranza noted the land is worth less if used for single-family homes. There are two parcels with a house on each of them with associated barns. The best scenario would be if there were a municipal use, such as for schools.

Mr. DeFranza said he was offering two palatable, actionable items: the decoupling of Longmeadow and Willow Street and engaging in a smaller, family housing development should that be the wishes of the Trust and the Hamilton Development Corporation (HDC). The second is agreeing to do a project that was sized to the need to acquire the back parcel. He added another thought was just developing the back parcel, at about 100 units. He said if they developed the back, they could end up with rights to controlling the front, as well. Ms. Lawton asked if the house in the front could be rehabbed into apartments. He said it's

possible, but probably not doable. Ms. Lawton added she hadn't heard anything about senior housing tonight. Mr. DeFranza agreed she had not.

Dick Hewett, 24 Birch Road, asked about pricing. Mr. DeFranza said if they joint-ventured with someone, it would be 80% market rate; affordable housing would be in the \$1,000–\$1,300 range. He said \$900 to \$1,100 was Harborlight's "sweet spot." The rentals would be for those of moderate income.

Mr. Hewett said communities evolve by absorbing and having others come in or else they die out. Mr. Massos cited a current trend is that people are moving from rural areas back into urban areas. For the first time, Essex County is losing population. Hamilton doesn't have an urban feel. Members of the audience affirmed that's why they like living in Hamilton. The Trust discussed the economic consequences of a slow absorption rate. Mr. Johnson said he's struggling with how to help Mr. DeFranza make something happen on that lot.

Carol Schrock, 79 Ortins Road, brought up issues of parking and traffic issues along 1A, including high school traffic, and how that might be impacted by adding another 100 or 200 housing units.

Rick Mitchell, HDC member, noted Mr. DeFranza hadn't communicated his plans to the HDC. He asked if Mr. DeFranza was now going to pay \$600K (HAHT grant money) for the 8-10 units. Later in the meeting Mr. DeFranza said he'd actually need \$800K to make it happen. [He noted Harborlight is doing a 6-unit project in Beverly at \$920K.] When asked, he said he cannot negotiate 20 senior units because the financing mechanism won't allow for that. The coupled project (Willow Street and Longmeadow) would have enabled them to do a tax-credit transaction, which is not possible with just the one project. Also the project needs to be family housing for funding reasons; it can't be senior housing.

Mr. Tanzer stopped them, saying the agenda doesn't address Willow Street. Dorr Fox said he had revised the agenda to include Willow Street with the idea that it might be discussed as it pertains to Longmeadow. The Trust inquired about financing options and the idea of exploring new loan sources for non-tax-credit money.

Ms. Siedzic said it alarms her the Town could take Longmeadow off the table because of negative pressure and noted they are far below their 40B compliance threshold. She asked the Trust to provide support to Harborlight. She said the opposition to the project doesn't represent the totality of the Town, and the Trust is accountable to the entire community. Mr. Massos responded the Trust was making progress, but was knocked back. The person doing the project has to be willing to do it. They've already debated the concept of giving money to fight lawsuits and agreed it wasn't a good thing to do. Mr. Johnson asked that they keep this thought in mind: Mr. DeFranza is not going forward because of a specific set of threats (on two sides of the parcel) and not because of negative pressure in general.

Trust members discussed how to come up with more money if that were the will of the community. The next time they'd have the opportunity to ask for the funds would be at Fall

Town Meeting. They'd need a two-thirds majority. For CPC funds, they'd need a vote of 50% plus 1. For now the Trust cannot commit more money than they've already allocated. He said the HAHT learned how the community felt about their role when they tried to buy the Piri property; the community didn't want them acting as developers. Ms. Lawson said things are different now, and the Town has the right to buy property.

Christine Scott, 92 Ortins Road, commented about worsening traffic and asked if they could invite the Department of Public Works Director to one of the Trust meetings to discuss water issues, noting there are 90 units going in at Routes 1A and 133 in Ipswich.

Jack Lawrence, 105 Rock Maple Ave., said it had been discussed in the past that the scale at Longmeadow was inappropriate at 108, so it would be inappropriate at 140. He said the Town wasted two years because of its single-minded focus on Longmeadow. He asked why other Town properties weren't discussed, including the COA site and the landfill, which he said offered virgin ground.

Mr. Massos responded that while the Town is concerned about playing fields, open space, land to help the school etc., Town-owned land is precious. It might be better to partner with developers who control parcels of land and who are experts and help them develop the property. Mr. Lawrence added that Gordon-Conwell Theological Seminary hadn't been mentioned.

Mr. Olson pointed out there is no guarantee that using Town-owned land will eliminate a risk or a lawsuit, noting what had happened with the cell tower.

Mr. Johnson strongly objected to Mr. Lawrence's characterization of the last two years as wasted time. He said the Trust listened to what the community was saying and decided on 20 units downtown and 40 units not downtown, which seemed a reasonable blend. Real estate deals fall apart and this one, he said, was in trouble, but maybe there will be a way to resurrect it. He said the Trust did look around and it was a very thorough, very public approach.

Mr. Tanzer said before the last year and a half, there wasn't really a process to thoroughly vet this, and they had come a long way. He said they'd worked hard, and it was not easy or fun. Mr. Johnson said the only way the Longmeadow project can come back is if Mr. DeFranza (or Mr. DeFranza and another developer, or another developer) come up with a plan and articulate a vision because the Trust members are not developers.

Bob Curry, 713 Bay Road, said, as an abutter, he was taken aback when 108 units were planned there. They searched out smaller sites across the town, for example, across the street at 560 Bay Road and the COA. He said they ran into opposition, including a consultant working to wrong parameters. He said the COA organized against it and the idea was shouted down. They looked at property off Parson's Lane that brought complaints, and it went on like that. He said the community has found itself committed to affordable housing, but has realized it needs to be done in smaller clusters with all neighborhoods taking the hit. He cited the Town has a high tax and the Schools can't do what they want to

do without raising the tax rate. He said adding a large development resulting in 400 more kids coming into the schools, 200 more cars, etc., wasn't good and said the Town would have trouble culturally absorbing that number of people while they do have the capacity to absorb smaller groups.

Ms. Siekzik disputed his facts and questioned the phrase "taking a hit," calling it more like embracing an opportunity. She said she found the discussion of "absorption" veiled and ugly.

In response to an audience member about whether an in-depth traffic study had been done, Mr. Johnson said it had and there wasn't a significant drop in traffic flow other than during the morning rush.

Decision:

Mr. Johnson made a motion that the Trust take no further action on the Longmeadow grant agreement (unless they have a new proposal to review). Mr. Massos seconded the motion. The Trust voted (3-0) to take no action. [*Note: Mr. Tanzer had recused himself.]

DISCUSSION OF 59 WILLOW STREET PROJECT

Mr. Mitchell asked for further clarification from Mr. DeFranza that it will take \$800K from the Town for them to do the Willow Street family housing project. He said yes, unless they can do a sister project and secure the funding with tax credits. Mr. Tanzer noted the Trust does not have \$800K to give. Mr. Johnson asked if it could come from some portion of Town debt; the Trust members said theoretically yes, but it would involve a process.

Mr. Fox said \$600K is available now. The Community Preservation Committee (CPC) gave another \$100K to the Trust, but he did not know if the people wanted it earmarked for Willow Street. The CPC has another \$500K in reserve they can bond on. If they used \$200K of that, it would take up 40% of their funds, and other projects are competing for that money. In addition, the Trust needs to cover its administrative costs.

When asked for more specifics on Willow Street, Mr. DeFranza replied they would expect the Accord Food Pantry to be located there as the commercial space. He said the neighbors seemed comfortable with the project, provided the building didn't get any larger.

Elaine Swensen, 6 Linden St., said she would like to see Accord stay where it is instead of moving into #59. She said if Accord moved there, another business would take Accord's current space, and as a neighbor she didn't want to see any more commercial moving in to the small area. She would like to see the building with no commercial and capped at two floors.

Ms. Lawton noted there are only about 44 units for the 2,000 seniors in Town. She said three or four years ago there was discussion about how the Hamilton Housing Authority could change its public/private partnership to take the number of units there on Railroad

Ave. She is wondering why they can't resuscitate that conversation as a future agenda item. The Trust asked Ms. Lawton to send them some information and agreed it would be a viable thing to grow the Housing Authority. Ms. Lawton said she had learned about a sea change happening across the state concerning housing authorities. Currently money can only be used for renovating existing structures, but she said there may be some opportunity to expand by going up in floors.

The Trust ended its discussion by saying they would wait to hear from Mr. DeFranza. Some members of the audience inquired about safe harbor and where the Town was in its goal of developing 14 affordable housing units per year. Ms. Siekzik commented she'd rather have 100 units at Longmeadow than just 7 at Willow St. While the Town would be getting more bang for its buck, Mr. Johnson pointed out the scale the Town had sought to have was more in line with the 40 units plus the 20 units, rather than 100 units.

DISCUSSION OF CPA GRANT AWARD FROM TOWN MEETING

Mr. Tanzer announced the grant proposal the HAHT had submitted to the CPC for \$100K was approved at Town Meeting and said they would see the money in July. He thanked Mr. Fox for his hard work. Those dollars had been discussed in association with offering a first-time home buyers program.

Mr. Massos brought up exploring what the properties are worth at Longmeadow and wondered about the idea of buying the property or paying the markup difference—in other words, spending \$3 million to keep 60 units vs. paying \$800K for 7 units. They will discuss it at the next meeting.

PAYMENT OF BILLS

Mr. Tanzer presented a \$123 invoice from Legal Counsel Donna Brewer for work on the grant agreement.

Mr. Johnson made a motion to pay the invoice. Mr. Massos seconded the motion. The Trust voted unanimously (4-0) to pay the invoice.

OTHER BUSINESS

The Trust set May 22 at 6 p.m. for its next meeting when they will revisit the economics of the "ask" for 59 Willow St. and discuss Plan B. Mr. DeFranza was invited.

They will also discuss Longmeadow Way, looking at the economics of potentially buying the back parcel for the purpose of controlling the rear site and then doing something with it such as selling off the two houses. Mr. Johnson noted there are restrictions on splitting the lots, although there's flexibility with 40B.

The Habitat for Humanity houses are taking much longer to complete than had been expected. The group missed their February goal for occupancy. The issue was slated as a topic for the meeting after next when the Trust would like to get an update. The two units don't count toward 40B until the certificate of occupancy is issued.

Mr. Fox mentioned the CPC will be discussing a project on Thursday that offers both affordable housing and open space. He will update them about that at the next meeting.

ADJOURNMENT

Mr. Massos made a motion to adjourn the meeting at approximately 7:40 p.m. Mr. Olson seconded the motion. The Trust voted unanimously (4-0) to adjourn the meeting.