

Hamilton Affordable Housing Trust

August 28, 2018 – 6 p.m.

Hamilton, MA

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

HAHT Members Absent: William Olson

Interim Town Manager: Robin Crosbie

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

Chair Russ Tanzer opened the Hamilton Affordable Housing Trust (HAHT) meeting at 6:15 p.m. He apologized for the delayed start of the meeting as they waited for the quorum. 15 people attended the meeting.

MINUTES—AUG. 14, 2018

Marc Johnson had two corrections to the Aug. 14 Minutes. He said the count on the Minutes vote (from the July 31 meeting) was 4-0 (not 3-0) because Ms. Crosbie had been part of that vote. Also there was a statement in the July 10, 2018 minutes, which he said should be changed from “the Trust is betting” to “the Trust is trying to.”

Mr. Johnson made a motion to approve the Aug. 14 minutes as amended. William Massos seconded the motion. The Trust voted (4-0) to approve the minutes.

LONGMEADOW PROJECT—LONGMEADOW WAY NEAR BAY ROAD—DISCUSSION OF TOWN MEETING WARRANT ARTICLE

Mr. Tanzer recused himself as he is an abutter to the project.

Mr. Johnson said where they left off was trying to see if they could meet the Board of Selectmen (BOS) objectives of between 40-50 units at an average cost of around \$30K per unit. He said William Olson had been on vacation. Mr. Johnson met with Harborlight Community Partners and came back with the summary that was distributed. Harborlight’s board met today and Mr. DeFranza had left a message that they are curious to see if they can work with the Town, but it’s not set in stone. They are also talking with other development partners. He had no idea if Harborlight will file a PEL (Project Eligibility Letter) before Town Meeting or not. Dorr Fox said Mr. DeFranza had indicated they could be submitting the PEL, but said they would be submitting it to the Town for review.

Mr. Massos asked if it was presumed Harborlight would sell Lots 1 and 3. Mr. Johnson said yes. Mr. Tanzer directed everyone's attention to the sketch of the project showing what the 40 units on Lot 2 would look like.

Mr. Johnson went through the summary. Items discussed were:

- The Town would contribute \$1.3M (the \$300K they already have plus a new \$1M), which would be given at closing. He isn't sure if it would be before appeals or after appeals. He thought it made sense it would be after appeals, but he hadn't had the discussion.
- The average cost is \$32,500 per unit, which is close to the \$30K per unit goal. If you include Willow Street in the equation (total cost of \$1.6M for 40 units plus 20 units), the average cost is \$26,700 per unit.
- They could sell the existing houses there (which could sell for about \$700K) and put deed restrictions on them to make them affordable or turn them into rentals. Mr. Johnson said they aren't comfortable telling future Town Meetings what to do, however. If selling the houses resulted in a shortfall, Harborlight would have the option to bring the number of units up to 48 units to recoup the shortfall. Robin Crosbie mentioned that would happen through the Zoning Board of Appeals (ZBA) process, which are public hearings.
- Harborlight will provide sketches and rough site designs and communicate early with the BOS, the Finance and Advisory Com (FinCom), and town voters so everyone understands what the project could look like. Mr. DeFranza has expressed he would like to work with the neighbors.
- Harborlight will not automatically abandon its 200-unit PEL and comprehensive permit application even if Hamilton Special Town Meeting approves the \$1M; however, if Harborlight accepts Town funding, it would keep the project at the target 40-unit size.

Director of Planning & Inspections Patrick Reffett arrived to the meeting.

Mr. Johnson read the statement that Harborlight "has agreed to the following conditions with the base 40-unit deal; however, they will reserve the right to revisit these conditions if it gets sued by neighbors." Those conditions are:

- To maintain a 1-mile non-compete exclusion
- To keep under the 35-foot height limit
- To accommodate neighbor input on site design
- To provide the maximum rate of local preference
- To build the 20 senior rental units at 59 Willow Street, and
- To not consider an Ortins Road access.

Mr. Johnson noted Harborlight is reluctant to give away leverage because of past experiences. Mr. Massos said, therefore, it's difficult to give them the money.

Ms. Crosbie said the wording of the warrant article is going to be important. The article must stipulate the conditions whereby the money would go to Harborlight. Mr. Johnson said there are many terms of the agreement Town Counsel Donna Brewer will need to work on. Mr. Massos said the approach should be to go to Harborlight and say that we will give you \$1.3M, but this is what we want. Mr. Tanzer mentioned Mr. DeFranza has said if conditions are unfriendly, he won't do the development; but now, he is threatening to do it [a large project].

Mr. Massos reviewed what some of the consequences would be if the Town decided not to do the project. He said he'd like to try to find a path to the 40 units plus the 20 units at Willow Street.

Ms. Crosbie noted there's a certain period of time after the permit is granted in which the parties have a right to appeal the process. She said the Town could condition it that they not release the money until after the appeal period has passed. Mr. Massos asked if someone could sue after the appeal period. She said no. He suggested they enter into an agreement, but not fund anything until everything with the project was locked in. Mr. Johnson said he thought the timing he discussed was pertaining to after the permit had been issued.

Mr. Reffett explained the permit is voted, the public hearing is then closed, the decision is rendered and voted upon by the ZBA and then filed, and then there is a statutory period, which he thinks is 20 days. Mr. Johnson said they could time the payment until after that. Ms. Crosbie said the agreement would cease if an appeal is filed. Mr. Johnson said no because that would be penalizing the neighbors. Those conditions need to be worked out, Ms. Crosbie said. Mr. Massos said they could add in language to read: after all appeals are filed and permitting is issued.

Bill Shields, 721 Bay Road, said he thought the purpose of this meeting was to establish what the warrant article was going to be—to raise money, appropriate money, take money from free cash, etc. He noted they are about six weeks away from Special Town Meeting (STM) and don't know any of the details. Ms. Crosbie said the warrant article was in process. There is a draft and it will be going before the FinCom on Sept. 5. The money would likely be a transfer from free cash, but that hasn't been decided. Mr. Shields said he thought working this out at the last minute was gerrymandering.

He said the Town was going to be making the agreement without seeing the agreement with Curt Miller. Nobody knows how long Mr. Miller can stay in his house. He said the ask was closer to \$1,850,000. He said if Mr. DeFranza backs out of the signed agreement regarding Willow Street, it is a breach of contract.

FinCom Chair Phil Stearns pointed out the FinCom was not writing the article. That was up to the Trust. The FinCom would be giving its recommendations, for and against.

The question now, according to Mr. Johnson, was whether the Trust wanted to go forward and if so, what would the structure look like and how the Town would like to pay for it.

Mr. Massos said part of him says they don't have anyone's support to do it. One person in the audience had said 40 units might as well be 200 units. That is an interesting place to put the Trust in because they are buying the size of the project down to make people happy, but nobody will be happy anyway.

Ms. Crosbie said it's important to remember they will have a large group to decide this at the STM. What is the alternative? she asked. Mr. Johnson said the alternative will be that Harborlight chooses to do nothing or chooses to do 200 units. Ms. Crosbie said she fails to see a downside in taking it to STM. The downside may be that it fails, but at least the Trust will have done its due diligence. Mr. Johnson said it is hard to get \$1M out of the Town, but he thinks they have to try.

Decision:

Mr. Johnson made a motion that the HAHT advance this project to Special Town Meeting. Mr. Massos seconded the motion. The Trust voted (*3-0-1) to approve the motion. *Mr. Tanzer abstained.

Mr. Fox read the current language of the warrant article:

To see if the Town [will] vote to raise and appropriate or transfer a sum of money to the Affordable Housing Trust for the purpose of reducing the number of housing units to be developed by Harborlight and/or its partners at the Longmeadow Way location, or take any action relative thereto.

CANTER BROOK ESTATES DISCUSSION

Mr. Tanzer welcomed Attorney Jill Mann who is representing the Canter Brook Estates subdivision and Larry Smith, the principal for the purchaser of the project. She said the two units they designated as affordable can no longer be age-restricted. If they are age-restricted, they won't count toward the Town's affordable 40B number. She said she wanted to understand the \$650K figure that is being asked for by the Town as a payment in lieu of providing the units. She said the number had to support the bylaw, and the \$292K figure, which is the result of the formula in the bylaw, is what's actually required. It was the actual figure, she said, rather than the "floor" number.

Mr. Tanzer said the Trust had based the figure on the selling prices of those units. One of those units would go for \$650K. Ms. Mann said that the actual value for a two-bedroom affordable unit in town would be more like \$180K. The affordable units don't have the finishes and features of the market-rate units so do not translate to the \$650K. She said you can't compare apples to oranges.

Mr. Massos asked if they looked at cost to build vs. the sales price, what would be the profit margin. That is how they came up with the figure. He said they'd need to understand more about the mark-up. They might be losing money on the affordable units and making money on the other units. Ms. Mann said yes, but they don't yield a 50% profit margin. Mr. Massos

asked if it might be closer to a 30% margin. She consulted with Mr. Smith and agreed it could be. Mr. Massos said that was a couple of grand per unit.

Mr. Massos said it was important to underscore that the Planning Board had originally asked for two affordable units to be built on site. It wasn't a casual decision on the part of the Planning Board. Now because of the age-restriction issue, the Town isn't getting those units. So, asking for a larger inclusionary fee was because they had agreed to an economic cost of x at that time and now was looking to perfect that agreement.

Ms. Mann said the Planning Board has to follow the zoning bylaws. Mr. Johnson said that they would be looking for the construction of two units. She said they had wanted to build them. Now, she said, they were willing to provide additional compensation to the Town.

Mr. Reffett spoke about comparability between market-rate units and affordable units. He quoted from the general provisions of the inclusionary housing bylaw. He said that the units should be dispersed throughout the development and should be comparable in terms of room size and the external character and appearance. Ms. Mann said when someone walks by they would not observe any difference, but the interiors are different.

Ms. Crosbie said they could still require units to be onsite and be affordable, although they wouldn't get counted. She also suggested they could build two units on-site that were family units, open to all ages. She said she thought there was some benefit to the company to make the payment as opposed to the other options.

Mr. Reffett said the applicant would be going before the Planning Board on Sept. 18. He said at that time, a letter of recommendation from the Trust would be useful.

Mr. Massos asked if the range was more like \$400K. Ms. Crosbie said she didn't like negotiating in public.

Mr. Johnson asked if the letter said "up to \$650K" or "\$650K." Mr. Fox said it said "\$650K."

Mr. Crosbie asked if someone from the Trust could be at the meeting. Mr. Massos offered to work on the deal.

Ms. Mann said having children in the units would cause problems and would not be a good option. The idea of having a low-income unit that wasn't part of the 40B count wasn't an easy process to handle.

Mr. Reffett offered that the inclusionary bylaw also allows for contribution of land or affordable units off-site. Ms. Crosbie said she could guess that the sum they've been offered (\$292K) wouldn't give the Town the ability to get a unit, and the Town would actually want to receive a couple of units. Mr. Tanzer didn't like the idea of having senior affordable units that would not count toward the 40B goal. Mr. Johnson said it would still serve a public purpose.

Mr. Tanzer asked for an understanding of what the Trust wants to do. Mr. Johnson proposed that Mr. Massos negotiate with Ms. Mann to understand the economic costs and benefits. Ms. Crosbie said they want to get to the equivalency of a couple of units. She noted the Planning Board meeting was Sept. 18 at 7 p.m. at Town Hall.

OTHER BUSINESS

Mr. Fox said by State law, the Affordable Housing Trust is supposed to give a report to the CPC on all of the projects funded by the CPC this year. Mr. Fox said the law doesn't state that the information has to be written. He said he can give an oral report to the CPC and put it in the State data base. Ms. Crosbie suggested he just put it into the State data base and print it out for reporting to the CPC.

Ms. Crosbie said another piece of business is that this is actually her last meeting.

Mr. Fox will post the FinCom meeting on Sept. 5 at the Council of Aging (COA), which the Trust will be attending.

Mr. Johnson noted that between now and STM, they need to get information on the warrant article out to the public. He suggested asking the League of Women Voters to sponsor an event/forum about it. He said it wasn't a "lawn sign" type of thing since it involves explanation. Ms. Crosbie suggested a special column or Letter to the Editor in the newspaper. Mr. Johnson said he could work on putting together bullet points—a pros and cons list—for distributing.

Anna Siedzik, 227 Highland St., the Steering Committee Chair for Hamilton Affordable Housing Advocates (HAHA) said her group can help distribute factual information. She said as a group they wouldn't take a side. Their position is to help educate people on the topic of affordable housing.

Ron Huth, 34 Maple St, said the concern he has about 200 units going in on that site is that it will stigmatize affordable housing. He commended the Trust for what it is trying to do. He said he would speak at STM in favor of the Trust's efforts to get to a smaller development at Longmeadow.

Mr. Reffett announced the ZBA has a public hearing Sept 5. It has a new set of rules and regulations for 40B projects, which will work in tandem with the existing rules from the State regarding 40B.

ADJOURNMENT

Mr. Massos made a motion to adjourn the meeting at 7:53 p.m. Mr. Johnson seconded the motion. The Trust voted unanimously among those present (4-0) to adjourn the meeting.