

Hamilton Affordable Housing Trust

January 3, 2019 – 6 p.m.

Town Hall

HAHT Members present: Chair Russ Tanzer, Marc Johnson, Joe Domelowicz, William Massos, and William Olson

Town staff present: Dorr Fox, Hamilton Community Projects Coordinator

Russ Tanzer opened the meeting of the Hamilton Affordable Housing Trust (HAHT) at 6 p.m. with a quorum present.

William Massos had not yet arrived.

MINUTES—DEC. 10, 2018

Marc Johnson made a motion to approve the minutes of the Dec. 10 meeting. Bill Olson seconded the motion. The HAHT voted unanimously among those present (4-0) to approve the minutes.

Mr. Massos arrived at 6:02 p.m.

PRESENTATION BY DON PRESTON, HABITAT FOR HUMANITY ON 270 ASBURY ST. AND 0 LINCOLN AVE—AND DISCUSSION OF FUTURE PROJECTS

Don Preston introduced himself and showed slides of the newly completed homes. He said the work started with an invitation from the Trust when Fred Mills was its chair. Habitat located two properties, 270 and 89 Asbury St., which were similarly priced. They had a 45-day turnaround from making an offer to acquiring the land. He explained all the steps of the friendly 40B and how Habitat saved a significant amount of money with free labor and many materials donated. He credited the local volunteers, comprised in part of Essex North Shore Agricultural and Technical School students. That's why the project took longer than expected; they had to work around the school's schedule and summer break. Habitat received a grant for a solar thermal system that was installed at no charge to the homeowner. It will reduce energy costs by about \$600 per year. The homes previously had a value of \$230K-\$260K and now come in at about \$475K each. The dedication was Dec. 9. They are currently in the process of closing. The families' monthly payments will be around \$1,000, which includes taxes, mortgage, maintenance fees, and insurance.

Mr. Johnson thanked him and remarked about the quality of work and dedication it took, noting all of that goes way beyond the HAHT's funding of the project. Mr. Tanzer asked if Mr. Preston had any more properties in mind. He said he does, a property that is in foreclosure, and that he'd like to work with Hamilton again.

To qualify, families had to earn between \$36K and \$60K. They had nearly 100 applicants and narrowed that down to about 24 for review. There was a local preference. One of the residents is from Hamilton; the other is from Beverly. In the finals for local preference were six or seven Hamilton families.

Dave Thompson, 103 Essex St., asked if the homes are deed-restricted in perpetuity. He was told, yes. They are taxed as if they are market-rate units—taxed on their assessed value but there is about a 15% discount on the market rate. Mr. Thompson asked when the Town would be receiving credit for the 40B units. Dorr Fox said he would be reporting them to the Department of Housing and Community Development (DHCD) after the closing. Mr. Massos asked how many people worked on the houses. Mr. Preston said about 20-30 on most build days. Mr. Thompson inquired about insurance arrangements. Habitat has insurance (It's a national organization with 1,400 affiliates), but volunteers sign waivers.

59 WILLOW STREET—DISCUSSION OF HARBORLIGHT AFFORDABLE FAMILY HOUSING PROPOSAL

Mr. Tanzer said Harborlight Community Partners is not going to move forward with the Willow Street project. Mr. Fox elaborated on that decision. He said the check for \$300K was voided and the \$2,500 deposit was returned. Some of the money goes back to the Community Preservation Committee (CPC) and some goes back to the Trust. Those details are being calculated by Finance Director Marissa Batista. There will be about \$500K left in the HAHT account. The Hamilton Development Corporation (HDC), owner of 59 Willow Street, is trying to figure out next steps. They have discussed a feasibility study and permitting the project, which should make for easier sale and bigger return. Mr. Domelowicz said the HDC is interested in maximizing the return on its investment to have money for making improvements to the downtown. Mr. Tanzer noted he would attend some of the HDC's Wednesday morning meetings. The project might be market rate housing rather than affordable housing. The HDC will need time to get an RFP (request for proposal) together.

DISCUSSION WITH DAVE CALHOUN ON OPPORTUNITIES FOR 40B HOUSING IN HAMILTON

Mr. Domelowicz introduced Mr. Calhoun. He said they do not know each other and only had a couple of phone conversations. Mr. Calhoun owns the real estate development company Layline Ventures, LLC. He was there with business partner Chris Berardi of Berardi Properties. The two are looking at properties in Town in which to invest. They typically take a small site and develop a large number of units (about 150), targeting towns in need of reaching 40B goals. These are modern buildings, about four or five floors with parking typically buried. They pursue properties as rentals. There's usually an elevator in the building. The Town gets full credit for all the units. Hamilton needs about 230 to 240 units and has had a tough time getting this done. He is not looking for Town money; he's looking for cooperation. He said his firm won't do a project if a town doesn't support it. He talked about the firms he uses for engineering, civil work, code work, architectural, etc. He said they'd like to acquire a parcel less than 12 acres, maybe as small as 5 acres or smaller. He

said it would be a friendly 40B; they'd come up with a plan the Town would embrace. He said they are good at on-site waste water systems and working with the DEP [Department of Environmental Protection]. He talked about a project he and Mr. Berardi are working on in Weston. The project wasn't opposed by the citizens but was denied by Weston's zoning board and it is currently going through appeals.

Mr. Calhoun said his first choice for a site in Hamilton would be downtown near the railroad station, not in a neighborhood. Mr. Massos asked if the firm would own and operate the building after its development. He said they make a business decision whether to do that or bring in a management company. Mr. Johnson asked about the number of bedrooms. Mr. Calhoun said it was mostly a mix of ones and twos, but the State requires a certain number of threes. The parking ratio would be about 1.3 or 1.5 cars per unit, but if the market study shows a need for 2 cars, they find a way to park two.

Mr. Tanzer asked about other projects the firm had done aside from Weston. They listed projects they'd done in Watertown, Framingham, Cohasset, and one they are presently doing in Quincy. Mr. Olson noted the biggest challenge would be the project size, as the consensus is that Hamilton wants many smaller projects not one large one.

Mr. Tanzer asked Mr. Calhoun to discuss what he noticed on his drive around Hamilton looking at properties. The Trust discussed the challenges it has been through, saying even a smaller project of 40 units wasn't supported. Mr. Massos said it made sense to have some transit-oriented development, as Mr. Calhoun said he wanted to be located near Hamilton's station. They mentioned 59 Willow Street. The radius Mr. Calhoun is looking at is a half mile out from the station. Mr. Domelowicz asked if he would consider a radius of a mile out. He said he would, and they could perhaps offer a shuttle service or consider improved bike lanes, as Mr. Domelowicz suggested. Mr. Calhoun asked if they could take a straw vote to gauge the Trust's interest. The Trust didn't want to do a straw vote at this time.

Mr. Thompson asked if Mr. Calhoun would be interested if the Town had a site that was appropriate for about 40 units. Mr. Calhoun said yes, if it made financial sense. Mr. Tanzer said the Trust is interested in rentals. If they do rentals they get full credit. Ricker Circle is coming off the count soon, he said.

Doug Trees, 557 Bay Road, said a number-one issue was the cost to the Town of the additional children who would be coming into the school system as a result of a large project. Also he was concerned about whether they were talking about a project at 80% of AMI, or 60% or below. Trust members expressed some confusion over why he thought that mattered. Harborlight's proposal had always been under 60% of AMI, but that was self-imposed due to their mission as well as the funding source used. Mr. Calhoun's group would be privately financing it. Mr. Domelowicz's response to Mr. Trees' concern about the schools is that the apartments that would be built are not designed for families with four or five kids. They are only one- and two-bedroom units meant for young couples and seniors. They don't age-restrict, but by design that's what they are suited to. Mr. Domelowicz said when one looks at the studies, it isn't as much of an impact to the schools as people fear. A bigger impact to consider would be the traffic. The Trust thanked Mr. Calhoun for coming.

DISCUSSION OF AMENDING TOWN BYLAW CREATING THE HAMILTON AFFORDABLE HOUSING TRUST

Mr. Tanzer initiated a discussion, which was also discussed at the last meeting, about whether the Town Manager ought to be a voting member of the Trust and whether the composition ought to be changed. Mr. Tanzer started out by discussing what is done by other affordable housing trusts in the area. Danvers, Ipswich, and Wenham require their Trust members to be residents in the town. Many of them also require one member of the Board of Selectmen to sit on the Trust, as Hamilton also does. Wenham's trust is made up of anywhere from five to seven members.

Mr. Domelowicz abstained from the discussion. Mr. Massos said he was torn about it as Mr. Domelowicz offered good insights. Mr. Johnson added that Interim Town Manager Robin Crosbie had also added a lot to the discussion. Mr. Olson said they all felt the input given by the Town Manager was good; the issue was really about whether the Town Manager ought to be a voting member as he's not a resident. Mr. Johnson said it is awkward because the Town Manager's role is typically neutral in that he carries out the wishes of the BOS and will of the residents at Town Meeting, and by being part of the Trust, he is obligated to be an advocate for the Trust and its mission. They discussed Mr. Domelowicz serving as an advisory, non-voting member to the Trust, which he was agreeable to. Presently, 4 out of 5 Trust members makes a quorum. The Trust discussed what the composition ought to be. Mr. Olson said he thought 5 was the right size for the group with a quorum of 3 and the Town Manager serving in an advisory capacity rather than as a voting member. This would require an amendment of the bylaw.

Mr. Thompson said he liked what he was hearing. He thought the membership should be all residents. Mr. Johnson said one could argue that they get more candid advice from a Town Manager who wasn't a resident.

It was decided that Mr. Fox and Mr. Domelowicz would draft a document and have Town Counsel Donna Brewer review it.

Decision:

Mr. Tanzer made a motion to revise the composition of the Hamilton Affordable Housing Trust to five residential members with the Town Manager participating as a nonvoting member in an advisory capacity, and that the number of members needed for a quorum be reduced from 4 to 3. Mr. Massos seconded the motion. The HAHT voted 4-0-1 to accept the motion. *Mr. Domelowicz abstained.

OTHER BUSINESS

Mr. Tanzer said it may be time to ask a consultant to come in and help the Trust further guide the process of trying to figure out the 40B situation. He said he is on the Gordon-Conwell Theological Seminary Task Force and they've had some conversations about the housing component there being underutilized and the possibility of some of that housing

becoming 40B deed-restricted housing. They've had meaningful discussions and are hearing positive feedback about the possibility.

The situation is complicated. Mr. Massos asked the question about how disassociated the Town would need to be from the Seminary. Would the housing have to go to a lottery? Would the residents there have to start paying taxes? Would graduate students qualify to live in the units? The Trust discussed that it needs a 40B consultant to answer these kinds of questions, of which there are many. The Town also needs tax advice.

Mr. Johnson said the initial lottery in an affordable project creates a bucket of candidates. Their names stay on a waiting list.

David Smith, chair of the Gordon-Conwell Task Force reiterated that they have to find out what is legally feasible. They are engaged in the task of finding out how the Seminary might compensate the Town in nonmonetary ways to offset the cost of educating the children living there on the campus. The Task Force doesn't have a budget, and that's why they are wanting the Trust to carve out some money for a consultant and advise them on who to call or perhaps interview some of the candidates first and recommend someone. Mr. Massos had a contact and will get them the name. Mr. Smith said the Task Force will create a one-page summary document with a list of questions it would like answered.

The Trust discussed the possibility of the Seminary giving the Town one of its buildings. They have 211 units there with high vacancy rates, so this might be helpful for them to consolidate students and also receive help absorbing maintenance costs. There are many questions, though, such as how would they structure the management of the building. The Trust thought the Housing Authority might be the logical choice for handling it.

There's also a question of how many units might qualify as 40B units for the Town. Mr. Domelowicz pointed out the State wants new units, and doesn't really care about qualifying units that already exist. Mr. Massos said, though, that they could make a pitch for the apartments that are currently sitting fallow being put to use by the Town as affordable housing.

Mr. Smith had to leave the meeting. He said he would send Mr. Fox the questions and be in touch regarding finding a consultant. The Trust discussed potential candidates, one was a 40R consultant instrumental in working with municipalities who had given a talk at the library a while ago. They have his resume.

Mr. Johnson advised that the Task Force not get too far ahead of the Seminary in terms of figuring out what to do with the Seminary's property. He said a senior in Town had a property that could become a Habitat project and maybe they'd want to pursue that or give the person an introduction to Habitat. Mr. Tanzer said he liked the idea of an introduction.

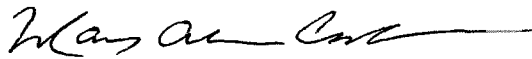
The next meeting date was set for Jan. 31 at 6 p.m. at Town Hall. Since the warrant closes the third week of February, they need to get the bylaw change [regarding the makeup of the Trust] drafted and reviewed before then.

Mr. Fox will send an email to Mr. Calhoun asking about projects. He also suggested talking to some planners in some of the other communities.

The Trust again talked about the possibilities at Gordon-Conwell and whether it was something Gordon would want to do.

ADJOURNMENT

Mr. Olson made a motion to adjourn the meeting at approximately 8:15 p.m. Mr. Domelowicz seconded the motion. The Trust voted unanimously (5-0) to adjourn the meeting.



MINUTES SECRETARY