

Hamilton Affordable Housing Trust
Teleconference

November 18, 2020

HAHT Members Present: Chair Marnie Crouch, David Smith, Jamie Knudsen, William Massos, and Hunter Carroll

HAHT Coordinator: Pat Shannon

**This meeting was teleconferenced via Zoom with all of the above participants remaining at home.*

ROLL CALL

Affordable Housing Trust (AHT) Chair Marnie Crouch opened the online meeting at 6 p.m. and took a roll call. All AHT members were present. Former AHT Chair Russ Tanzer was also in attendance.

Ms. Crouch took the next agenda item out of order and pushed back the minutes approval to later in the meeting to accommodate Don Preston, Executive Director of Habitat for Humanity North Shore (now called Essex County Habitat for Humanity), and David Traggorth of Traggorth Companies LLC., who were present to give updates on their respective projects.

UPDATE ON SPECIAL TOWN MEETING

Ms. Crouch reported that the warrant article in which the CPC (Community Preservation Committee) sought \$200K for the AHT was approved by Town Meeting. She called that very positive.

DISCUSS AND CONSIDER APPROVAL OF 434/438 ASBURY STREET

Ms. Crouch said that of significance was the merger of the North Shore Habitat for Humanity and Merrimack Valley Habitat for Humanity into a new entity called Essex County Habitat for Humanity. Two other items of significance were that Habitat has submitted its LIP (Local Initiative Program) application to the DHCD (Department of Housing and Community Development) as well as a loan application to the HOME Consortium for funds in the sum of \$150K. She asked Mr. Preston to advise the AHT on the progress.

Mr. Preston commented on the merger. He said everything will stay the same (for example, the office is still in Danvers), but the paperwork will go forward with Essex County Habitat for Humanity as the new entity. He will still be the lead on the project. He said the AHT would be meeting the others involved with the project, as well. Mr. Preston said AHT Coordinator Pat Shannon had received a letter from the DHCD, which is formal notice that the DHCD had received the LIP application as well as a copy of the application itself. The AHT has 30 days to make comments on the document and then it will go back to the DHCD for final review/approval. Site visits will take place in early December. Mr. Preston said included in the documents are everything the AHT had worked on plus other documentation, such as draft versions of designs for the houses and locations. Changes may be needed to accommodate the positions of the septic systems. The basic roadway will remain the same.

Ms. Crouch clarified with Mr. Preston that the name on the LIP application did not need to be amended since the merger had not happened until after the submission. She welcomed comments from Mr. Tanzer, who said he missed Hamilton and was glad to be listening in. Ms. Crouch asked if anyone had questions for Mr. Preston. There were none. It was decided the AHT would try to schedule a site walk of the Asbury Street property on a weekend. She asked Mr. Shannon and Mr. Preston to coordinate it. David Smith said he had walked the site, and Hunter Carroll said he had driven by it, but Ms. Crouch said she had not seen it.

Mr. Preston left the meeting at 6:11 p.m.

UPDATE ON THE TRAGGORTH COMPANIES' WILLOW STREET DEVELOPMENT

Ms. Crouch reported the great news that Traggorth Companies was successful in obtaining \$1.7M in funds from the DHCD in their Community Scale Initiative program. She said that will go a long way in funding the project. She said Mr. Traggorth had been before the Planning Board recently to present some minor changes to the project, and she thought the plans were great and that 18 units on the Town SHI (Subsidized Housing Inventory) is also great. She asked Mr. Traggorth for an update.

Mr. Traggorth said his company had been awarded the funding earlier this week and was pleased to get it on the first shot. In terms of other parts of the financial picture, Traggorth is reengaging the Healthy Neighborhoods Equity Fund and talking with Boston Private Bank and other lenders, such as Mass Housing, for construction and permanent mortgage, which are the two remaining pieces. Traggorth is working with an architect and a builder to advance the design. As explained to the Planning Board, Traggorth is designing to standards with very low energy use for the building.

Mr. Traggorth said this evening he wanted to ask the AHT to amend the grant award letter issued previously for \$500K to push the Purchase & Sale Agreement back from Dec. 15, 2020 to Jan. 15, 2021. Other dates in the document that they want to push back, as well, are currently listed as May 2021 for the building permit draw and a July 2022 Certificate of Occupancy. The reason for changing the dates is to have them line up with the DHCD award

letter. One reason to make the dates align is that if lenders do not see any disconnect in the deadlines, it will make underwriting the project easier.

Ms. Crouch asked Mr. Traggorth to send the AHT a request in writing with the dates amended so the AHT can be prepared to vote in an informed capacity. She recalled that the agreement did contemplate that the AHT could amend deadlines through mutual agreement. She said it would also be helpful if Mr. Traggorth could seek input from the HDC (Hamilton Development Corporation) to make sure the HDC was also onboard with the changes. Mr. Traggorth said that he would.

Ms. Crouch asked Mr. Traggorth if he was still seeking \$6M from Boston Private Bank. He said yes, they are talking to a couple of banks, including Eastern. He said the entities didn't engage much until after the awards were made, but now they've rekindled conversations.

Mr. Carroll asked about the number of units going toward affordable housing for the Town. The answer is 18 units total, and because they are rental units and half of them (9 units) will be restricted, all 18 will count toward the SHI.

Mr. Knudsen asked about the conversations with neighbors and abutters. Mr. Traggorth said he had met with almost all of the abutters via Zoom or phone. The DHCD deadline is July 1, 2021 for the closing. After that, he said Traggorth will be back in touch with the neighbors to talk about construction impacts. There was a discussion about how the neighbors realize the project is happening and have been receptive to make the best of the situation.

David Smith said he walks his dogs by the site and noticed the owner of 62 Willow St., the abutter directly across the street from the project, had sold the property. It had changed hands earlier in the week and the owner had gotten full price. Mr. Smith thought it might be good for Mr. Traggorth to reach out to the new owner. Mr. Traggorth thanked him for the heads up. He said well-run affordable housing projects can increase property values a lot more than poorly run market-rate housing.

Mr. Traggorth said he had just sent the DHCD award letter to the AHT. He agreed to also send it to Mr. Shannon and said he will edit the letter to reflect the amended deadlines.

Mr. Traggorth left the meeting at 6:26 p.m.

NEW BUSINESS

Ms. Crouch said the Planning Board received a preliminary proposal (not a formal application) from Larry Smith, the developer behind the Canter Brook development. His entity has property at 133 Essex St. under agreement—approximately 66 acres for a proposed senior housing project with 25 duplexes on approximately 38 developable acres. The front portion of the property at the corner of Essex Street and Chebacco Road would be preserved as farmland. She stressed again that the plan was preliminary and there was no formal application, but said that project could bring the AHT as much as \$1M and possibly

more. She said Mr. [Larry] Smith and his group intended to reach out to the neighbors and, within 30-60 days, the Planning Board might have a more formal application. Because it is a senior development, there is an inability to put on any affordable housing on the site due to the age restrictions.

Mr. Shannon explained that for the first 10 units, the developer needed to either build an affordable housing unit or make a payment. If the developer opts to pay in lieu of developing the unit, the cost would be 3 x AMI (average median income) per unit. After the first 10, they would need to make a payment of 3 x AMI for every six units built. Ms. Crouch said the AHT would have to nail down the calculation.

William Massos said in the case of Canter Brook, the AHT had looked at what the profitability of the unit would have been to the developer had it not been made affordable. The idea was that the developer wouldn't make any additional money and the AHT would get the full benefit. Mr. Massos said it would be good to go back and look at how that turned out.

Ms. Crouch said in the case of this proposed project, there would be significant costs associated with the construction and septic due to a lot of ledge that was present there. Mr. Smith said there was a huge disparity between what the Rich family was asking and the assessed value. He noted that in addition to the ledge, there were wetlands on the property making it difficult to develop. He said the AHT should bear in mind there was an enormous difference between this site and the Canter Brook site.

Mr. Tanzer said that initially when Canter Brook came forward, their original offer for payment in lieu was about \$250K. Mr. Tanzer said there was back and forth and they ended up with a \$400K+ number to be made in two payments of (\$217,500). Mr. Tanzer said looking forward, the Town might want to insist on the creation of affordable units rather than payment in lieu. Mr. Tanzer said Mr. [Larry] Smith does quality work.

Mr. Massos remarked that the Town has never had three substantial projects and a potential fourth on its plate. Ms. Crouch gave credit to Mr. Tanzer for having shepherded two of the projects: Asbury Street and Willow Street. She also acknowledged Mr. Traggorth for meeting his deadlines and following through with getting the funding. Mr. Massos said, speaking as a real estate lender at Boston Private Bank, he knew Mr. Traggorth was well thought of. Mr. Tanzer said these kind of opportunities are few and far between and were a good value for the Town.

Ms. Crouch commented that perhaps the new units on Willow Street will provide a boost to the downtown business community. There was then a discussion of the Black Cow restaurant opening back up.

MINUTES—SEPT. 30 and OCT. 14

Ms. Crouch asked if anyone had comments. Nobody had any. Mr. Knudsen said the minutes looked appropriate.

Decision:

Mr. Knudsen made a motion that the AHT approve the minutes of Sept. 30 and Oct. 14, 2020. Mr. Carroll seconded the motion. A roll call vote was taken with "ayes" from Mr. Smith, Mr. Carroll, Mr. Massos, Mr. Knudsen, and Ms. Crouch, (5-0) unanimous.

SCHEDULE NEXT MEETING

Ms. Crouch will set the next meeting date after she hears back from Mr. Traggorth and Mr. Preston. The date for a site walk at Asbury Street also remains to be determined.

ADJOURN

Mr. Massos made a motion to adjourn the meeting at 6:47 p.m. Mr. Knudsen seconded the motion. A roll call vote was taken with "ayes" from Mr. Smith, Mr. Massos, Mr. Carroll, Mr. Knudsen, and Ms. Crouch, (5-0) unanimous.

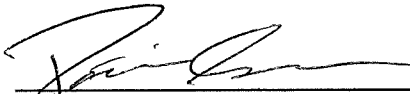
Prepared by:

 12/22/20

Mary Alice Cookson
Minutes Secretary

Date

Attest:

 12/22/2020

Patrick Shannon
AHT Coordinator

Date