

Affordable Housing Trust (AHT)
Minutes
October 11, 2017

In Attendance:

Members Present: George Sibley, Chair, Michael Luster, Vice Chair & Treasurer, Ruth Pino and Mary John Boylan

Absent: Rick Doucette

Staff: Gregg Cademartori, Acting CD Director, Deborah Laurie, Sr. Project Manager

Guests: Mike McCarthy, ?? Peter

George Sibley, Chair, called the meeting to order at 5:10 p.m.

Item #1 Approval of Minutes

The Board took a few minutes to review the minutes. Mike Luster made a motion to accept the minutes of February 16, 2017, and was seconded by Ruth Pino. All in favor, yes.

Item #2 – Harborlight Community Partners

Andrew DeFranza, Executive Director, presented a possible project at the downtown YMCA sight located at 71 Middle Street. A conceptual plan was handed out to committee. Andrew explained that the building they are discussing is specifically the middle building on the plan. The Y does own part of the Pattillo Building on the right, but that is not part of the plan on the table now, however, it could be connected in the future and/or rehabbed. Mary John B. asked how many units would be created; Andrew D. replies that they are looking at creating 53 units; one bedroom units and studios. On the back of the plan is a layout design of the three floors. Parking would be on the lower level (where the pool is located now). Parking was discussed; what is required and how many spaces would be provided. The parking lot would be accessed via Middle Street and you would exit onto Hancock; it is not quite one space per unit as code requires. They are planning on 38 spaces which is approximately 72% of the requirement. Since part of the project would be single room occupancy (SRO) not everyone would have a vehicle. The building will be knocked down; they looked at rehab but the cost was approximately the same and cost. The building was not an easy structure to renovate, so a tear down would be best and could be customized to fit in more with the existing buildings.

George S. asked if it was going to be residents on all three floors. Andrew D. stated it would be all residents. They looked at commercial space, but thought they could maximize the number of housing units to get to the 53 by having no commercial space. The income levels for the housing would be 60% of AMI (area medium income), with even some units being between 30% - 50%. About 15% could be supportive housing units also, like veterans, homeless, etc. Even though Gloucester's AMI is 80%, their mission is to go below that to really

Maximize affordability. 80% of AMI for Gloucester is high since they are calculated in the Boston Metro Region. They feel an income of about \$60K is more realistic. The question was raised whether or not there would be local preference. Most likely there would be; you can ask for 70% to be local preference from the State. This project will include Housing Tax Credits through the State. It would be a partnership with the YMCA and Harborlight; Harborlight will be the developer and a minority owner. The management of the facility has not yet been determined. Andrew D. indicated that the plan is just a conceptual one; something to look at and determine how many units could be created, what the parking looks like, what the building would look like, how many would be affordable, etc. Ruth P. mentioned that the State's priority is for affordable housing for families; Andrew D. indicated that this is true, however, SRO's and specialty housing is supported by the State. The discussion of housing vouchers, accessible units, timeline etc. continued.

George S. asked if the project doesn't fly, what are the Y's plans for this spot. Kevin M. replied that they could add some community space that doesn't exist now, or sell it. Their Board wants to create and manage as much affordable housing as they can; that's their focus.

Andrew D. told the committee if they have any further questions to contact him. The Committee's general consensus was that they like the project.

Gregg C. did offer that they may want to consider active use on the first floor, rather than having residential units located on the street front, especially the front facing Middle Street. If you lost four units and relocated two to the back then you could create some active space; also looking at the lines of a typical retail building it usually has 14' to 15' for the first floor and would match the other building next door rather than bringing it down to a residential scale of 8 to 10 foot, keeping it in the urban environment. Building design will be important. Andrew D. indicated that they were just trying to maximize affordable units by leaving out active space on the first floor. Discussion continued on Fuller project vs this project (they should be kept separate) and how to maximize the most number of affordable units.

Ruth P. is of the opinion that they as the Trust should approach the City Council and support this project and support the payment in lieu of units for the Fuller site. The Trust felt that they should; they are advocates for affordable housing. This is how they get their funding and are able to award to affordable housing projects.

Item #3 Newly Adopted Section 5.30 Certain Pre-Existing Multifamily Use Ordinance

Ruth P. points out to the Trust to focus on section 5.30.1 Purpose; it does a nice job at describing what this new ordinance does. Gregg C. explained the new ordinance. After looking at the Housing Production plan and presenting it to the City Council, this was Councilor Joe Orlando's attempt at trying to do something about it. Taking that information and asking what else can we be doing. Working with Joel Favazza who had encountered this issue before, to apply a zoning board opinion for a transfer of property for a three unit but is being actively being used as a four units. There is an issue to some degree, not because of bad record keeping, but at one point the city had a multifamily zoning district. So at that time, owners may or may not have pulled building permits and other permits may not have been issued, like now there are special permits and better records that indicate the use of the building. This ordinance is an attempt to try and remedy it, but at the same time providing as much documentation for the continued use and trying to devise a process that wouldn't involve the zoning board and the City Council. The City needs something that it can do fairly quickly and to streamline the process. The carrot is that you now have a one stop shop; the original version of the ordinance

had the decision being made by just one person, but now it will be done by the Zoning Board. The caveat will be that there will be a deed restriction for the rental units. This would add to the city's SHI. This new ordinance will work best for multi units over four units and someone that has no mortgage on the property. Discussion continued with examples of how this process could work for some transactions but obviously not for all. Gregg C. also stated that above all the city has safe housing. Discussion of how the deed restriction would be enforced and what department would be responsible for the enforcement. There would have to be an affordable marketing plan in place and each unit tracked for the 30 year affordability period. It is a lot of compliance enforcement for the city. Gregg C. informed the Trust that he believes there is going to be a forum on the ordinance within the next month. He will let them know.

In closing Gregg C. states that the Trust may want to think about how they want to interact on the Y proposal on the public permitting. He can distinguish Fuller project from Andrew's project very easily and the interplay and what the Fuller entity has to demonstrate in order to make the in lieu of payment, and he thinks is a different discussion than is there value in having an in lieu payment. Gregg C. suggests that they look at both projects; look at 30 units at 80% at Fuller and 45 to 50 units at the Y site, because they are at all different income levels. That's what the Housing Production Plan states that it's not just about affordable housing, it's about all housing. It's about a new product that is available to people at all income levels.

Ruth P. asked what would the affordable rent be at 80% AMI; the rent limits don't change. It's \$1372, for a one bedroom; \$1691 for a two bedroom; \$2116 for a three bedroom and \$2331 for a four bedroom. Fuller project is not including any utilities; fair market rents include utilities. In comparison for the Housing Production Plan they looked at another community with the same medium income for Gloucester, \$61,000 and their fair market for a one bedroom was \$795. That gives you a sense of when Andrew says when they want to do 60% and 30% income levels so the rents would be around \$800 and \$900 dollars. This is what 80% based on a \$61,000 medium income would be.

Ruth P. adds that she just thinks it is important for the Trust to hear those numbers and realize that they are still high for Gloucester even at the affordable rates and if anything to emphasize to the City Council is that the approach is the concept as opposed to who it would house as opposed to even demanding 30 units at Gloucester Crossing, still doesn't help the issue.

Motion to adjourn by Mary John Boylan and seconded by Ruth P., all in favor, yes. The meeting adjourned at 5:20 PM.

Respectfully submitted,

Deborah Laurie
Senior Project Manager

List of Documents provided at meeting

1. Draft Minutes of February 16, 2017
2. Newly Adopted Section 5.30 Certain Pre-Existing Multifamily Use Ordinance
3. Proposed Cape Ann Y Housing at Middle Street Conceptual Plan