

Newburyport Affordable Housing Trust
Meeting Minutes

<u>Meeting Date:</u>	Friday, October 25, 2013
<u>Meeting Location:</u>	2 nd Floor Meeting Room, City Hall
<u>Members in Attendance:</u>	Judy Tymon, Chair, Karen Wiener, Susanne Cameron and Madeline Nash
<u>Members Absent:</u>	Mayor Holaday
<u>Staff Present:</u>	Kate Newhall-Smith, Planner
<u>Minutes Taker:</u>	Kate Newhall-Smith

Tymon called the meeting to order at 9 a.m.

Approval of Minutes

Wiener made a motion to approve the minutes as presented, seconded by Nash. Motion carried 3-0.

Planning Office Updates

Smith states that the Planning & Development Committee meeting to discuss the Housing Production Plan had been moved from November 13th to October 28th. Cameron stated that she can attend.

Smith mentions 36 Prospect Street and the possibility of the applicant seeking funding from the Trust and/or the CPA for help in cleaning up at least one of the units in the two-family structure. Smith will be attending a site visit with Andy and Bob Bracey, the Director of Health and will report back on the condition of the home.

Kelley School, Re-Use Potential

Tymon would like to still consider the Brown School, even if some of the space will be used for the School Department and Youth Services, there is a chance that some housing units could be included within the building itself, or elsewhere on site.

Nash agrees and states that it could be a mixed-use building with office space, program space and housing units. Mixed use will also help with the renovation costs that will be needed to convert the classrooms to offices and youth service spaces. A mixed-use building will also generate tax income, which is not possible if only the schools and youth services are in the building.

Cameron agrees and suggests mixed income units, which may be more palatable to the surrounding community. Nash prefers to advocate for mixed use rather than mixed income.

Wiener states that the neighborhood seems to be more accepting of affordable housing and would advocate for all affordable rather than mixed income. She states that there is no need to define the affordability levels at this early stage.

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Wiener questions whether there is a need to declare the building as surplus if the space is shared among City departments and private housing.

Nash suggests potentially forming a Re-Use Committee to discuss options for the Brown School. A committee would take the time to explore all options, including office and program space for the City. A committee could set parameters for an RFI rather than conducting the RFI process with only the Trust.

Wiener agrees with establishing a committee that has specific interests represented through its membership.

Cameron stresses the need to approach this holistically and look at all potential uses for the building: a business incubator, shared office space, artist live/work space, etc. She states that Brown School can be used for economic development as opposed to affordable housing if that is what the community wants. She does not want the building to sit vacant for an extended length of time.

Nash reiterates that she wants to continue to focus on the redevelopment/reuse of the Brown School rather than the Kelley School. The size of the Kelley and the expense makes redevelopment of the property for affordable housing financially unfeasible. She believes that the school could be converted into market rate condos with potentially one affordable unit. She suggests putting a deed restriction on the exterior façade to preserve the historic look of the building.

Tymon states that the City should undertake a comprehensive process of examining all municipal buildings to determine their structural viability and also a plan for their continued use as community needs change over time.

Housing Production Plan Recommendations, CPA FY15 Application

Nash suggests finding a role for the Trust in the 40R project and asking the CPC for funding to aid in this role. She questions if the City would benefit from hiring a professional to help the City negotiate with the developer? If so, the Trust could apply to the CPC to request funding for a consultant for affordable housing piece in the 40R project. She believes that a professional consultant will be able to better negotiate with a developer. Especially of concern is the rental price that will be set; the developer will negotiate for a higher price (higher profit), and as we're seeing with the condos, the higher prices make it nearly impossible to find people who qualify that can afford them.

Cameron suggests looking into ways to create a strong program for maintaining existing affordable units, which will maintain the affordable housing stock and preserve affordability in the City. CPA funding could be used for program development to strengthen the existing affordable stock.

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Weiner suggests applying for funding to buy down units.

Nash suggests funding to replenish the Down Payment Assistance program. Tymon agrees.

Cameron suggests creating a program with a local non-profit that can buy affordable units that the City is about to lose, hold the units, rent them and then sell them to a qualified buyer at a later date. This could be some type of revolving acquisition loan program. They could develop a model program and set a precedent since losing units is an issue everywhere.

Nash states that a competitive application for this type of program will have to identify the non-profits that would be partners. These groups would essentially function as land lords.

Wiener suggests looking into buying down the price of the resales. This will ensure a lower price in the future with the funds not going to the property owner, but staying with the unit.

Nash agrees; if the price is truly affordable, then the City is at less risk of losing the unit.

Wiener states that she will investigate buy-down programs.

Nash supports the buy-down idea as well as the non-profit partnership idea. She suggests adding this topic to the November meeting for further discussion.

Zoning Revision Project

Smith provides an update on the zoning revision project, its timeline and the inclusion of the HPP's zoning suggestions into the scope of work and the overall project.

Nash suggests linking reduced parking waivers to the provision of affordable housing units

Smith also gives an update on the Master Plan update process that will be kicking off early next year.

Updates

Down Payment Assistance Program Re-Write:

The Trust discusses offering DPA in the amount of 10% of purchase price, up to \$15k with no exceptions. Cameron clarifies that the assistance should be the lesser of either the 10% and 15k.

Wiener makes a motion to set down payment assistance at the lower of 10% of purchase price or \$15k, seconded by Cameron. Motion carried 4-0.

Nash suggests asking Martha Solish about the program and if she has any suggestions regarding our new form and assistance formula.

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Smith mentions her discussion with Andy regarding the HOME funds. Nash mentions that in her limited discussions with Kevin Hurley, she is under the impression that the government does not want to see HOME funds used for DPA but rather being used for rental development and project-based funding. There is some uncertainty with how the funds can be spent; more information is needed. Smith will look into the North Shore HOME Consortium meetings and see about attending a future one to ask about this.

Smith will also ask Andy for the amount of HOME funding Newburyport receives each year.

Cameron suggests earmarking a percentage of the yearly funding allotment for rental development and then possibly using the remaining for down payment assistance and other programs.

Nash states that there is a timeline associated with the funding. Tymon suggests that it's on a fiscal year calendar.

Smith asks the Trust to consider running the DPA program as a payback program rather than a forgivable loan one, as it's run currently. Trust members ask to consider this over the next month and discuss at the November meeting.

Wiener makes a motion to allow staff to allocate necessary funding from the Trust's general account to qualified DPA participants if the current DPA funding account is completely expended between monthly Trust meetings, seconded by Nash. Motion carried 4-0.

Next Meeting Agenda Items

- MOU for Heritage Landing
- 2014 CPA Application
- DPA loan structure
- HOME funding
- Brown School/Kelley School Re-Use

Adjournment

Cameron makes a motion to adjourn, seconded by Nash. Motion carried 4-0.

Meeting adjourns at 10:25.