

Newburyport Affordable Housing Trust  
Meeting Minutes

<u>Meeting Date:</u>	Thursday, April 25, 2013
<u>Meeting Location:</u>	Small Conference Room, 2 <sup>nd</sup> Floor, City Hall
<u>Members in Attendance:</u>	Judy Tymon, Chair, Karen Wiener, Madeline Nash, Susanne Cameron
<u>Members Absent:</u>	Donna Holaday, Mayor
<u>Staff Present:</u>	Kate Newhall-Smith, Planner
<u>Others Present:</u>	David Hall and Attorney Kacy Bailey
<u>Minutes Taker:</u>	Kate Newhall-Smith

Tymon called the meeting to order at 6:30.

**Approval of Minutes**

The draft minutes for March 28<sup>th</sup> were presented. Wiener: motion to approve, seconded by Tymon, carried 4-0 (Mayor absent).

**Discussion: David Hall and Housing in Newburyport**

David Hall accepted an invitation to the Trust meeting to discuss his project out on Cottage Court as well as his thoughts regarding Newburyport housing generally. Mr. Hall is beginning to reach out to different city groups to determine how to best develop it with some type of cottage housing or clustered development.

He discusses section XVI of the zoning ordinance, which gives residential density bonuses for certain types of housing development. Currently the ordinance reads that affordable rental units do not qualify for the bonus. He may not be able to use this provision if the text remains as written since the development of affordable rental housing is his goal.

Tymon states that, according to the Housing Production Plan, the City has had no market rate rental unit development since 2000. The Plan highlights the loss of rental units to condo conversions. She also stated that the city needs affordable rental units. Trust members discuss with Hall the benefits of creating a 40R district for housing and the state-provided financial incentive of \$5-\$7k per issued occupancy permit. Trust members are in agreement that the district needs to be within ¼ mile of public transit.

Hall reviews the details of his site: approximately 4 acres; it is a brownfield site (filled with coal ash) with ongoing clean up; a paper street extends beyond Cottage Ct and runs to attach to Rt. 1. Hall wants to work with the natural topography of the site and nestle zero energy dwellings into hill side to create single floor living spaces. He envisions installing gray water recycling systems, having shared electric vehicles with charging stations, access to the rail trail, green roofs and pervious surfaces.

Hall lists his development hurdles: brownfield clean-up; R3 zoning and housing restrictions; onerous permitting process; Low Street betterment fee (\$9k per unit) to connect to sewer line; green building construction costs (approx. \$130/sf); other unknown site and permitting costs.

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Hall is unsure the permitting route he will take. He is investigating the density bonus in section XVI, a friendly 40B, and a 40R district. He has already determined that an OSRD is not feasible due to budget constraints.

Nash asks about the bedroom mix for the units. Hall responds that most will have two, a handful will have three and there will be a limited number of single-bedroom units.

Cameron suggests thinking about the “who” for this project – who does he want to provide housing for. She asks about the project’s cultural element (i.e. artist housing). She states that Hall could provide a local preference in the marketing plan for the units, which may be positively viewed by the neighborhood.

Nash asks about phasing the project to help with costs. Hall is exploring this as an option.

Cameron asks about the possibility of generating revenue from the gardens/greenhouses. Hall responds that the costs of constructing the greenhouses and running them will prohibit them from being revenue generators.

Nash asks about income restrictions for the units he may create on Cottage Ct. Hall responds that he is accepting of these restrictions and is prepared to do the necessary documentation up front, as well as the yearly documentation that the state requires. His company will retain ownership and management of the property.

The Trust and Hall discuss the potential to include this parcel as part of the larger 40R development that may occur near the train station.

Hall requests a “wish list” of items that are important to the Trust and how they would like to see income criteria established for units.

Nash offers the Trust’s support as Hall pursues affordable housing at Cottage Ct; she states that the Trust is very supportive of the creation and retention of rental housing.

When asked about housing challenges in the city, Hall responds that one of his primary challenges has to do with lead paint removal. Older homes almost always have lead paint, which is expensive to remediate. This could be one reason why developers are choosing to demolish structures rather than rehabilitate them. Hall also spoke to the growing market of weekly rentals in the City. Homeowners can advertise their homes/apartments for rent for vacationers. This results in the purchase of property for income-generating purposes and encourages a more transient population, rather than housing populations in need.

#### **Discussion: Brown School Feasibility Study**

School is out for the summer in about two months, which gives the Trust some time to formulate a plan on how best to proceed. Andy Port has forwarded to the Trust a memo

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addressed to the Community Preservation Committee stating his withdrawal of his CPC application in favor of the Trust taking this project on.

Tymon states the Trust's support in this endeavor and questions the timing of the declaration of the building as surplus. Smith responds that the school has one more year before the building can be declared surplus. This wouldn't happen before the fall of 2014.

Nash states that an RFP should not be issued until the building is officially declared surplus. Her reasoning for this is that a proposal from a developer this year may not be valid a year later. Going through this exercise when the building is not yet available may waste developers' time. Nash suggests hosting an information session and inviting developers in to learn about the property prior to its declaration as surplus. She suggested contacting the housing person in Salisbury about this since they just went through this process.

**Update: Mechanics Court Draft MOA**

Craig Pessina and his attorney, Mark Griffin, have reviewed the draft and offered their edits to the Trust for review. The only substantive issue was issuance of payment within 20 days of closing on the affordable unit.

Nash: motion to approve changes to MOA, seconded by Cameron, carries 4-0.

Smith will make the necessary changes and obtain the necessary signatures in the coming days.

**Update: VI-C Special Permit: Zoning Amendment for Affordable Housing and Cash-in-Lieu**

The Zoning Working Group made some decisions regarding the financial contribution to the Trust to satisfy the public benefit criteria associated with the VI-C Special Permit. While they considered using a formula that included the state's affordability guidelines, they ultimately believed that simplicity is a high priority and suggested using fixed payments depending on how many units will be in the project.

Trust members expressed support for the fee structure proposed. There was discussion regarding the Cash in lieu option functioning as a disincentive to providing the unit on site.

Wiener states that the \$100k - \$150k may be an arbitrary figure, but it may be fine.

Cameron suggests having another fee structure for the cash in lieu option to accommodate for the potential of a large multi-family project where \$100k or \$150k may not be a huge impact to the developer. She suggests several options: (1) having the large fee and then another set amount per unit above a certain amount of units; (2) language that states that every ten units is another fee in a set amount; (3) text stating that larger projects (over a set amount of units) have to be negotiated.

Smith asks about the possibility of this happening in Newburyport. Cameron states that these issues may come up as the waterfront is developed.

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**Update on Fund Balance**

The current account balance was provided to the members. This balance reflects the \$15,000 payback of a down payment assistance loan for unit 108B at 5 Woodman Way.

Meeting adjourns at 8:45 pm.